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Publications

HEARINGS

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ROYAL COMMISSION ON PUBLICATIONS

Proceedings of hearings held
in the Supreme Court Building
in the City of Ottawa, Ontario,
on the 5th day of January, 1960,
et seq. at 10.30 a.m.

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I N D E X

Vol. 28

SUBMISSION

to the

ROYAL COMMISSION ON PUBLICATIONS

by

McCall Corporation
230 Park Avenue
New York, 17, N. Y.

Date: December 21, 1960

1. In preparing this submission on behalf of McCall Corporation, we have studied a number of the submissions already presented to the Commission. We will attempt to avoid any unnecessary duplication of data and statistics already recorded.

2. Following is a description of the publications published by McCall Corporation:

a. McCALL's is a monthly magazine devoted to the specific interests of women. Its subject material embraces all phases of home making: cookery, decorating, fashions, child-rearing, general health, beauty care, and home equipment. It publishes biographies and autobiographies of the great and near-great, including Robert Frost, Anthony Eden, Robert Grey, Fred Astaire and the Shah of Iran. It contains special articles and essays covering subjects ranging from studies on life insurance and teen-age marriages to education and juvenile delinquency. McCall's fiction includes short stories and novels by some of the world's foremost authors. Its art presentations have won many awards. It is a magazine that appeals to women, wherever they may live. It assumes that its readers, whether they live in Canada or the United States, are interested in their own problems, desires and ambitions; and that these are intelligent women who expect and appreciate the stimulation, information and entertainment that McCall's magazine brings to them each month.

b. REDBOOK magazine serves the needs of young adults. It provides features, home service material (food, fashion, beauty advice, appliances) and fiction, all having a direct bearing on the most immediate interests of these young couples -- their homes, families, health, and finances. Subjects of particular interest to these readers regularly covered include education, courtship, marriage and child-rearing. In addition, narrative articles and short stories provide

insight into the broad human relationships that most concern these readers -- such as relationships between husbands and wives, and parents and children. Each issue contains a complete novelette that also deals with these basic human relationships. A series now appearing presents a monthly article on the problems of young mothers selected from articles submitted by Redbook's readers. The great interest of Canadian readers in Redbook is shown by the response to this series. Over the past three months more than 100 Canadian women have submitted articles concerning their own problems to the Editor of Redbook.

c. McCALL's PATTERN FASHIONS is published three times a year, with on-sale dates January 15th, April 15th, and August 15th. In addition to newsstand sales it is distributed through McCall's pattern retail outlets in department stores and piece good stores. Newsstand sales account for 85% of its total circulation. The editorial content deals with dresses and sewing and primarily stresses a seasonal approach to fabrics and fashions. This magazine for home sewers also is a showcase for McCall patterns.

d. McCALL's NEEDLEWORK & CRAFTS is published twice annually, with on-sale dates January 15th and July 15th. Newsstand sales account for 87% of its total circulation, although it is also distributed through McCall's pattern retail outlets in department stores and piece good stores. The editorial content primarily deals with "how to" projects pertaining to knitting, crocheting, and stamped goods, as well as other crafts such as pottery and basket weaving. A Canadian section of 8 pages is added to the United States edition and sold in Canada. This Canadian section contains editorial and advertising edited primarily for Canadian readers. There is no other periodical in the United States or Canada dealing with needlework arts. The Canadian section was instituted principally in response to the requests of Canadian readers and advertisers. The material in this 8-page section is uniquely aimed to service the Canadian reader. Of all McCall publications, this is the only magazine having a special Canadian section. This publication is not in competition with any other magazine either in the United States or Canada for the specialized advertising drawn to its pages.

e. FORECAST FOR HOME ECONOMISTS is a professional publication published monthly during the school year. It is written and edited primarily for teachers of home economics in Secondary and Junior High Schools, and also for governmental and business home economists and university faculty members, especially those in Extension work. Its circulation is approximately 55,000, of which teachers comprise 35,000. Its Canadian circulation is about 500.

Its editorial content is similar to that of the women's service magazines, except that it is written for professionals and teachers. Although now 50 years old, Forecast for Home Economists first became a McCall property in 1959.

f. Miscellaneous pattern publications as follows:

(1) PIECE GOODS MERCHANDISER is a bi-monthly trade publication addressed to retailers of dress fabrics. It is not designed for the general public. It is now in its third year of publication and its controlled circulation is 10,500 (BPA). Its Canadian circulation is 165. The editorial material consists of articles on the merchandising of piece goods at retail, and their display, advertising and promotion.

(2) McCALL's PATTERNS HOME CATALOG is a new publication and will probably be published quarterly. It is distributed through newsstands and pattern agents.

(3) McCALL's SEWING BOOK:
This book is distributed through newsstands and retail outlets. Editorial content is completely technical pertaining to home sewing.

(4) McCALL's CHRISTMAS MAKE-IT BOOK:
This is published annually and is distributed through newsstands and retail outlets. It contains "how to" projects for Christmas decorations.

g. BETTER LIVING was established in 1951 and was discontinued in 1956. BLUE BOOK started in 1929 and its last issue was published in 1956.

3. (a) We do not claim that McCall's, Redbook or any of our other publications (except Needlework and Crafts to the extent noted above) are uniquely Canadian in their subject matter, or are edited or designed solely for Canadian readers. Although they carry occasional articles and material on Canadian

subjects, McCall's and Redbook are magazines of general interest and universal appeal. Their editorial content meets the needs of people without regard to the national characteristics of readers. We believe things uniquely Canadian are competently dealt with by Canadian publications. Our publications do not attempt to compete in this area.

(b) The fact that McCall publications through their unusual appeal make their own valuable and worthwhile contribution to enrich Canadian life is evidenced by the voluntary purchases of our magazines by Canadian readers.

4. The appendices attached hereto contain a considerable quantity of data on McCall publications. Some salient facts derived from this material follow:

(a) Tables I-A through I-D show with respect to McCall's and Redbook respectively for the period from 1945 to date total circulation, total single copy sales and total subscription sales, the corresponding sales in Canada for each such category, and the percentage thereof attributable to Canada. As of June 30, 1960, ABC Publishers' Statements show the total circulation of McCall's was 6,212,250 copies (both single copy and subscription), of which 254,617 copies or 4.1% of the total is attributable to Canadian sales. Redbook's total circulation was 2,954,367 copies, of which 174,158 copies or 5.9% is attributable to Canadian sales. Of the 674,014 total circulation of the Spring 1960 issue of McCall's Pattern Fashions, 67,874 or 10.1% is attributable to Canada. Of McCall's Needlework and Crafts (Spring-Summer 1960 issue) total circulation of 712,786, Canada accounts for 81,410 copies or 11.4%. Last year's McCall's Christmas Make-It Book sold 8,184 copies in Canada, or 3.6% of its total circulation of 225,000.

(b) Tables I-E through I-H give statistics with respect to McCall's Pattern Fashions and McCall's Needlework and Crafts (except that the period covered is the last ten years, from 1950 to date because no figures are available for any periods prior to 1950. There are not a sufficient number of sales in Canada of other McCall periodical publications to form the basis of comparative analysis or to establish any trends. Table I-I gives the total net circulation, the total Canadian circulation, and the percentage of sales attributable to Canada of books published by McCall since 1950 all but one of which have been discontinued. The one exception is the McCall Christmas Make-It Book which in 1959 had sales in Canada of 8,184 or 3.6% of a total circulation of 225,000. Table I-J contains a semi-annual comparison of the Canadian circulation of McCall's, Redbook, and five

of the major Canadian magazines during the period from June 1945 to date. Table I-K is a computation of the percentage of Canadian households covered by the Canadian circulation of McCall's, Redbook, McCall's Pattern Fashions and McCall's Needlework and Crafts, respectively, for the full years 1950 and 1955 and the first six months of 1960. In each case circulation represents 5.9%, or less than 5.9% coverage of Canadian households, with McCall's Pattern Fashions lowest with only 1.6% coverage.

5. The one outstanding characteristic of the circulation of the various McCall publications as revealed in the appendices is the relative stability of the circulation over the years covered by the tables. While neither total circulation nor Canadian circulation of any of the McCall publications has remained static there have been no marked fluctuations. Such gains as have been made in the total number of copies sold in Canada for each of our magazines have not been greater, and in fact have been much less proportionately than the increases during the same period in circulation in the United States, and in total circulation, and also much less proportionately when compared to the increases in the respective populations of the United States and Canada. In short, we submit that each McCall publication has its particular niche in Canadian life, with a particular appeal to a small segment, both actually and proportionately, of the Canadian people. It is our desire to continue to serve these loyal readers.

6. (a) As explained in Paragraph 2 above, our only publication having a Canadian section is McCall's Needlework and Crafts. As might be expected with publications which make no special appeal directed solely to Canadians, the interest of Canadian business and advertisers in purchasing advertising space in McCall publications has been minimal. During the last 16 years, of the 14,571.03 pages of advertising contained in McCall's magazine only 2.17 pages were sold to Canadian accounts. Redbook during this period carried Canadian accounts in 44.40 pages out of a total of 5,875.61 pages, (See Appendix II-A). The apparent purpose of Redbook's Canadian advertisers was to obtain business from people in the United States -- examples of this being advertisers seeking to induce travel in Canada and mail order advertising.

(b) Neither McCall's nor Redbook sells space to advertisers that is based solely on Canadian circulation. Appendix II-D and II-E contain complete lists of the advertisers that have used McCall's Western Region and Eastern Split circulation, and the total amount spent by advertisers for space

therein, during 1959 and 1960. These are the only years during which the Western Region circulation (which also contains the circulation of western Canada) and the Eastern Split (which also contains the circulation of eastern Canada) have been made available to advertisers. If this list is studied it becomes apparent that the advertisers are seeking circulation in limited regions of the United States. Also, although both McCall's Western Region edition and the Eastern Split have a small circulation in western and eastern Canada, respectively, it should be noted that the advertising rate for space in the Western Region edition does not even include, and is not based on, any Canadian circulation. Furthermore, a study of the above-mentioned appendices shows that in 1960 only a fraction of 1% of McCall's total advertising revenue came from advertisers seeking for certain advertising the limited circulation herein described in the western and eastern states of the United States.

(c) McCall's Needlework and Crafts, despite its Canadian section, also presents a minimal picture. As shown in Appendix II-B (where data on each of the semi-annual issues during the past five years is set forth) the revenue per issue for the Canadian Section of this magazine has ranged from a high of $7,630 to a low of about $2,805 per issue, while the pages in the Section have ranged from a high of 7.50 pages to a low of 2.63 pages per issue. In the one 1960 issue to date of the Canadian Section, the revenue of $4,020 is only 1.8% of the total revenue for the Fall-Winter issue, representing 3.88 pages or 5.2% of the total pages. McCall's Pattern Fashions magazine (as shown in Table II-C) has contained no Canadian advertising revenue or pages whatsoever during the last four years, which are the only years for which figures are available.

(d) Thus McCall publications (other than Needlework) upon close examination and analysis, actually are properly classified as belonging to those periodicals printed and published in the United States, in Britain and in France that also sell so-called overflow copies in Canada, because the McCall publications that are sold in Canada are in every respect identical to the copies sold in the United States.

7. Appendix III-A lists the current cover prices of McCall publications as found in both the United States and Canada. The prices prevailing in the U.S. and Canada are the same, although there are exceptions, as explained in tabular notes, in cases in which price tests are being conducted.

8. Copies of McCall's and Redbook are distributed in Canada as follows: Subscription copies are shipped in bulk to Toronto and Winnipeg, and then mailed to the circulation list. Newsstand copies are shipped in bulk to the

cities in which the Select Magazine organization operates its distribution points, and then are distributed through SM facilities.

9. Expenditures by McCall Corporation, in Canada are substantial, totalling about $838,757 in 1959, exclusive of sales tax (See Appendix III-B). Commissions paid to magazine wholesalers (as well as those paid to newsdealers) are based on identical percentages for both the United States and Canada. The entire requirements for paper for the Canadian circulation of McCall publications, subject to limits imposed under present Canadian duty laws, are purchased from the Provincial Paper Company in Canada, and represent purchases which average approximately $200,000 per year. It has always been McCall policy to buy Canadian paper requirements in the quantity permitted in Canada. Total expenditures on subscription promotion in Canada (exclusive of postage) for both McCall and Redbook in 1959 are shown as approximately $27,000, and both magazines spent approximately $15,000 in Canadian media to promote single copy newsstand sales.

10. Editorial expenses are a minor portion of the cost of producing a major magazine. Paper, printing, and distribution represent the dominant costs. Consequently, the contention that major foreign publications have heavy "built-in" low-cost advantages with regard to editorial expenses is subject to close examination. The difference between the editorial expenditures of similar major magazines, whether published in the United States or Canada, represents a very small percentage of total costs, and in terms of dollars, this difference is probably not as significant as differences in other larger cost factors. Therefore a comprehensive analysis of all cost factors would have to be made before a conclusion could be reached that one magazine has an advantage over another as a result of any single minor cost factor, such as editorial expense, and that if such an advantage exists it is sufficient to constitute inequitable competition.

11. The terms of reference for this Royal Commission states that special consideration is to be given to problems arising from competition with similar publications. In the statement preceding the terms of reference this competition to be inquired into is stated to be the alleged "inequitable competition" from foreign periodicals of various forms.

What constitutes "inequitable competition"?

12. In no sense are McCall publications saturating the Canadian market. The circulation and revenue figures and comparative data presented herein show this. The habit Canadian readers have formed of reading McCall's and Redbook goes back many years. Whatever reader interest a McCall publication stimulates is natural and unforced. It is maintained by normal methods and without pressure. Circulation is based on reader preference and free choice. Subscription prices are identical in the United States and Canada. Advertising revenue derived from Canadian advertisers is minimal. The competition of McCall publications has been and continues to be normal in every respect. We submit this competition does not prejudicially affect the prospects for Canadian magazines or their development as a genuinely Canadian periodical press, and this competition is not and does not constitute "inequitable competition."

13. We believe that free trade is the life blood of free countries. The primary effect of any possible kind of restriction or burden on United States publications would be to penalize, limit or deprive the Canadian reader. It would not give Canadian publications any substantial benefit that would materially contribute to the desirable objective of the further development of a Canadian identity through a genuinely Canadian periodical press.

Respectfully submitted

McCall Corporation

by Bernard Rowe
Assistant to the President

APPENDIX I-A

McCALL'S CANADIAN CIRCULATION

AS A PERCENT OF TOTAL CIRCULATION

1945 - 1960

Date: (ABC Statement)	Issue Analyzed *	McCall's Total Canadian Circulation	McCall's Total Circulation	% Canada of Total
June 30, 1945	3/45	190,870	3,400,553	5.6%
December 31, 1945	9/45	206,793	3,462,903	6.0
June 30, 1946	3/46	207,995	3,586,333	5.8
December 31, 1946	8/46	209,738	3,569,142	5.9
June 30, 1947	3/47	196,061	3,600,424	5.4
December 31, 1947	9/47	185,456	3,568,739	5.2
June 30, 1948	3/48	191,177	3,700,167	5.2
December 31, 1948	9/48	185,296	3,726,945	5.0
June 30, 1949	2/49	186,811	3,842,441	4.9
December 31, 1949	9/49	186,370	3,937,386	4.7
June 30, 1950	2/50	177,553	3,807,101	4.7
December 31, 1950	9/50	175,205	3,865,558	4.5
June 30, 1951	2/51	193,217	4,011,643	4.8
December 31, 1951	9/51	179,934	4,150,347	4.3
June 30, 1952	2/52	178,919	4,237,758	4.2
December 31, 1952	9/52	189,542	4,446,146	4.3
June 30, 1953	3/53	217,849	4,525,060	4.8
December 31, 1953	9/53	210,447	4,557,861	4.6
June 30, 1954	2/54	214,191	4,528,184	4.7
December 31, 1954	9/54	214,920	4,558,602	4.7
June 30, 1955	3/55	201,469	4,522,518	4.5
December 31, 1955	9/55	211,409	4,641,018	4.6
June 30, 1956	3/56	244,819	4,768,595	5.1
December 31, 1956	8/56	242,490	4,830,102	5.0
June 30, 1957	3/57	202,860	4,930,758	4.1
December 31, 1957	9/57	213,572	5,303,239	4.0
June 30, 1958	3/58	226,493	5,350,140	4.2
December 31, 1958	9/58	212,431	5,338,349	4.0
June 30, 1959	2/59	235,600	5,491,572	4.3
December 31, 1959	9/59	233,016	5,726,103	4.1
June 30, 1960	2/60	254,617	6,212,250	4.1

* Within six-month period.

Source: ABC Publisher's Statements.

McCALL'S CANADIAN CIRCULATION - SINGLE COPY AND SUBSCRIPTION

AS A PERCENT OF TOTAL SINGLE COPY AND SUBSCRIPTION

1945 - 1960

Date: (ABC Statement)	Issue Analyzed *	Single Copy: McCall's Canadian Single Copy Sales	Single Copy: McCall's Total Single Copy Sales	Single Copy: % Canada of Total Single Copy Sales	Subscription: McCall's Canadian Subscription	Subscription: McCall's Total Subscription	Subscription: % Canada of Total Subscription
June 30, 1945	3/45	132,102	1,812,686	7.3%	58,768	1,501,963	3.9%
December 31,1945	9/45	147,212	2,025,236	7.3	59,581	1,522,459	3.9
June 30, 1946	3/46	146,907	2,022,758	7.3	61,088	1,559,135	3.9
December 31, 1946	8/46	149,301	2,014,102	7.4	60,437	1,565,944	3.9
June 30, 1947	3/47	137,860	1,883,564	7.3	58,201	1,827,358	3.2
December 31, 1947	9/47	129,496	1,712,569	7.6	55,960	1,901,893	2.9
June 30, 1948	3/48	135,207	1,738,813	7.8	55,970	2,038,581	2.7
December 31, 1948	9/48	131,040	1,556,673	8.4	54,256	2,247,505	2.4
June 30, 1949	2/49	130,845	1,551,229	8.4	55,966	2,356,371	2.4
December 31, 1949	9/49	132,766	1,591,169	8.3	53,604	2,384,792	2.2
June 30, 1950	2/50	125,255	1,406,745	8.9	52,298	2,399,054	2.2
December 31, 1950	9/50	125,061	1,413,402	8.8	50,144	2,447,433	2.0
June 30, 1951	2/51	142,414	1,629,016	8.7	50,803	2,524,321	2.0
December 31, 1951	9/51	130,561	1,512,938	8.6	49,373	2,626,508	1.9
June 30, 1952	2/52	132,561	1,551,412	8.5	46,358	2,680,701	1.7
December 31, 1952	9/52	136,577	1,513,847	9.0	52,965	2,908,173	1.8
June 30, 1953	3/53	160,766	1,818,938	8.8	57,083	2,851,983	2.0
December 31, 1953	9/53	151,865	1,654,564	9.2	58,582	2,957,953	2.0
June 30, 1954	2/54	150,701	1,704,047	8.8	63,490	2,962,317	2.1
December 31, 1954	9/54	147,810	1,581,203	9.3	67,110	3,050,331	2.2

(Continued)

APPENDIX I-B

McCALL'S CANADIAN CIRCULATION - SINGLE COPY AND SUBSCRIPTION

AS A PERCENT OF TOTAL SINGLE COPY AND SUBSCRIPTION

1945 - 1960

		Single Copy			Subscription		
Date: (ABC Statement)	Issue Analyzed *	McCall's Canadian Single Copy Sales	McCall's Total Single Copy Sales	% Canada of Total Single Copy Sales	McCall's Canadian Subscription	McCall's Total Subscription	% Canada of Total Subscription
June 30, 1955	3/55	114,364	1,304,432	8.8%	87,105	3,223,968	2.7%
December 31, 1955	9/55	124,654	1,464,919	8.5	86,755	3,215,869	2.7
June 30, 1956	3/56	153,225	1,784,034	8.6	91,594	3,217,673	2.8
December 31, 1956	8/56	149,013	1,576,069	9.5	93,477	3,308,939	2.8
June 30, 1957	3/57	104,076	1,534,553	6.8	98,784	3,437,106	2.9
December 31, 1957	9/57	108,065	1,386,168	7.8	105,507	3,873,515	2.7
June 30, 1958	3/58	113,795	1,533,722	7.4	112,698	3,949,497	2.9
December 31, 1958	9/58	102,574	1,237,137	8.3	109,857	4,053,381	2.7
June 30, 1959	2/59	119,733	1,471,195	8.1	115,867	4,129,440	2.8
December 31, 1959	9/59	117,193	1,577,901	7.4	115,823	4,045,886	2.9
June 30, 1960	2/60	125,129	1,730,999	7.2	129,488	4,394,503	2.9

* Within six-month period.

Source: ABC Publisher's Statements.

APPENDIX I-C

REDBOOK CANADIAN CIRCULATION

AS A PERCENT OF TOTAL CIRCULATION

1945 - 1960

Date: (ABC Statement)	Issue Analyzed *	Redbook Total Canadian Circulation	Redbook Total Circulation	% Canada of Total
June 30, 1945	3/45	65,348	1,540,712	4.3%
December 31, 1945	9/45	74,821	1,763,312	4.2
June 30, 1946	3/46	76,696	1,755,446	4.4
December 31, 1946	8/46	86,603	1,914,119	4.5
June 30, 1947	3/47	76,828	1,804,809	4.3
December 31, 1947	9/47	85,373	1,886,107	4.5
June 30, 1948	3/48	84,072	1,861,260	4.5
December 31, 1948	9/48	98,030	1,965,586	5.0
June 30, 1949	2/49	98,079	1,953,327	5.0
December 31, 1949	9/49	114,249	2,007,430	5.7
June 30, 1950	2/50	112,370	2,005,073	5.6
December 31, 1950	9/50	127,879	2,089,994	6.1
June 30, 1951	2/51	123,403	2,125,886	5.8
December 31, 1951	9/51	111,201	1,953,699	5.7
June 30, 1952	2/52	110,153	2,021,728	5.5
December 31, 1952	8/52	122,199	2,099,102	5.8
June 30, 1953	3/53	117,680	2,023,688	5.8
December 31, 1953	9/53	133,175	2,131,625	6.3
June 30, 1954	2/54	124,123	2,114,105	5.9
December 31, 1954	9/54	144,250	2,202,980	6.6
June 30, 1955	2/55	166,318	2,266,649	7.3
December 31, 1955	9/55	174,648	2,309,206	7.6
June 30, 1956	2/56	175,724	2,336,991	7.5
December 31, 1956	8/56	189,769	2,480,354	7.7
June 30, 1957	2/57	182,925	2,648,207	6.9
December 31, 1957	9/57	183,346	2,636,208	7.0
June 30, 1958	2/58	177,385	2,725,652	6.5
December 31, 1958	9/58	177,045	2,817,985	6.3
June 30, 1959	2/59	169,431	2,893,689	5.9
December 31, 1959	9/59	175,067	3,003,730	5.8
June 30, 1960	2/60	174,158	2,954,367	5.9

* Within six-month period.

Source: ABC Publisher's Statements.

REDBOOK CANADIAN CIRCULATION - SINGLE COPY AND SUBSCRIPTION

AS A PERCENT OF TOTAL SINGLE COPY AND SUBSCRIPTION

1945 - 1960

Date: (ABC Statement)	Issue Analyzed *	Single Copy: Redbook Canadian Single Copy Sales	Single Copy: Redbook Total Single Copy Sales	Single Copy: % Canada of Total Single Copy Sales	Subscription: Redbook Canadian Subscription	Subscription: Redbook Total Subscription	Subscription: % Canada of Total Subscription
June 30, 1945	3/45	57,901	917,249	6.3%	7,447	623,463	1.2%
December 31, 1945	9/45	69,017	1,124,958	6.1	5,804	638,354	0.9
June 30, 1946	3/46	70,911	1,078,847	6.6	5,785	676,599	0.9
December 31, 1946	8/46	79,859	1,144,758	7.0	6,744	739,361	0.9
June 30, 1947	3/47	65,409	913,255	7.2	11,419	861,554	1.3
December 31, 1947	9/47	75,268	912,795	8.2	10,105	973,312	1.0
June 30, 1948	3/48	70,634	836,315	8.4	13,438	1,024,945	1.3
December 31, 1948	9/48	84,045	917,039	9.2	13,985	1,048,547	1.3
June 30, 1949	2/49	82,129	898,264	9.1	15,950	1,055,063	1.5
December 31, 1949	9/49	92,611	940,917	9.8	21,638	1,066,513	2.0
June 30, 1950	2/50	86,932	907,016	9.6	25,438	1,098,057	2.3
December 31, 1950	9/50	98,393	1,008,846	9.8	29,486	1,081,148	2.7
June 30, 1951	2/51	90,812	1,029,993	8.8	32,591	1,095,893	3.0
December 31, 1951	9/51	77,760	861,868	9.0	33,441	1,091,831	3.1
June 30, 1952	2/52	77,849	876,960	8.9	32,304	1,144,768	2.8
December 31, 1952	8/52	88,803	909,932	9.8	33,396	1,189,170	2.8
June 30, 1953	3/53	81,694	854,452	9.6	35,986	1,169,236	3.1
December 31, 1953	9/53	96,547	971,259	9.9	36,628	1,160,366	3.2
June 30, 1954	2/54	88,702	905,216	9.8	35,421	1,208,889	2.9
December 31, 1954	9/54	97,778	975,264	10.0	46,472	1,227,716	3.8

(Continued)

APPENDIX I-D

REDBOOK CANADIAN CIRCULATION - SINGLE COPY AND SUBSCRIPTION

AS A PERCENT OF TOTAL SINGLE COPY AND SUBSCRIPTION

1945 - 1960

		Single Copy			Subscription		
Date: (ABC Statement)	Issue Analyzed *	Redbook Canadian Single Copy Sales	Redbook Total Single Copy Sales	% Canada of Total Single Copy Sales	Redbook Canadian Subscription	Redbook Total Subscription	% Canada of Total Subscription
June 30, 1955	2/55	91,145	1,010,671	9.0%	75,173	1,255,978	6.0%
December 31, 1955	9/55	94,742	1,029,438	9.2	79,906	1,279,768	6.2
June 30, 1956	2/56	85,087	1,000,910	8.5	90,637	1,336,081	6.8
December 31, 1956	8/56	103,387	1,148,501	9.0	86,382	1,331,853	6.5
June 30, 1957	2/57	104,311	1,295,828	8.0	78,614	1,352,379	5.8
December 31, 1957	9/57	106,419	1,243,819	8.6	76,927	1,392,389	5.5
June 30, 1958	2/58	106,888	1,250,225	8.5	70,497	1,475,427	4.8
December 31, 1958	9/58	118,891	1,263,468	9.4	58,154	1,554,517	3.7
June 30, 1959	2/59	115,500	1,273,721	9.1	53,931	1,619,968	3.3
December 31, 1959	9/59	123,645	1,337,430	9.2	51,422	1,666,300	3.1
June 30, 1960	2/60	101,558	1,146,521	8.9	72,600	1,807,846	4.0

* Within six-month period.

Source: ABC Publisher's Statements.

APPENDIX I-E

McCALL'S PATTERN FASHION CANADIAN CIRCULATION

AS A PERCENT OF TOTAL CIRCULATION

1950 - 1960

Issue	Pattern Total Canadian Circulation	Pattern Total Circulation	% Canada of Total
Spring 1950	29,147	307,384	9.5%
Fall 1950	22,210	228,995	9.7
Spring 1951	30,791	339,187	9.1
Fall 1951	21,600	270,463	8.0
Spring 1952	32,855	396,515	8.3
Fall 1952	21,182	299,370	7.1
Spring 1953	32,965	375,598	8.8
Fall 1953	19,495	259,904	7.5
Spring 1954	28,515	345,578	8.3
Fall 1954	18,721	261,151	7.2
Spring 1955	24,700	330,881	7.5
Fall 1955	14,731	227,547	6.5
Spring 1956	24,106	336,499	7.2
Fall 1956	16,569	258,524	6.4
Spring 1957	29,172	426,080	6.8
Fall 1957	21,282	292,502	7.3
Spring 1958	34,293	450,315	7.6
Fall 1958	22,538	277,708	8.1
Spring 1959	40,914	442,105	9.3
Fall 1959	32,371	351,665	9.2
Spring 1960	67,874	674,014	10.1

Source: McCall Corporation, Circulation Department

McCALL'S PATTERN FASHION CANADIAN CIRCULATION-SINGLE COPY AND SUBSCRIPTION

AS A PERCENT OF TOTAL SINGLE COPY AND SUBSCRIPTION

1950 - 1960

	Single Copy			Subscription		
Issue	Pattern Canadian Single Copy Sales	Pattern Total Single Copy Sales	% Canada of Total Single Copy Sales	Pattern Canadian Subscription	Pattern Total Subscription	% Canada of Total Subscription
Spring 1950	28,814	296,099	9.7%	333	11,285	3.0%
Fall 1950	21,914	218,924	10.0	296	10,071	2.9
Spring 1951	30,501	309,351	9.9	290	29,836	1.0
Fall 1951	21,292	228,648	9.3	308	41,815	0.7
Spring 1952	32,409	336,792	9.6	446	59,723	0.7
Fall 1952	20,591	236,375	8.7	591	62,995	0.9
Spring 1953	32,491	331,610	9.8	474	43,988	1.1
Fall 1953	19,116	229,879	8.3	379	30,025	1.3
Spring 1954	28,169	319,740	8.8	346	25,838	1.3
Fall 1954	18,398	239,369	7.7	323	21,782	1.5
Spring 1955	24,443	319,626	7.6	257	11,255	2.3
Fall 1955	14,505	217,840	6.7	226	9,707	2.3
Spring 1956	23,875	327,275	7.3	231	9,224	2.5
Fall 1956	16,342	250,350	6.5	227	8,174	2.8
Spring 1957	28,912	418,425	6.9	260	7,655	3.4
Fall 1957	20,991	282,925	7.4	291	9,577	3.0
Spring 1958	33,998	441,341	7.7	295	8,974	3.3
Fall 1958	22,261	269,706	8.3	277	8,002	3.5

(Continued)

APPENDIX I-F

McCALL'S PATTERN FASHION CANADIAN CIRCULATION-SINGLE COPY AND SUBSCRIPTION

AS A PERCENT OF TOTAL SINGLE COPY AND SUBSCRIPTION

1950 - 1960

	Single Copy			Subscription		
Issue	Pattern Canadian Single Copy Sales	Pattern Total Single Copy Sales	% Canada of Total Single Copy Sales	Pattern Canadian Subscription	Pattern Total Subscription	% Canada of Total Subscription
Spring 1959	40,554	432,902	9.4%	360	9,203	3.9%
Fall 1959	32,016	341,138	9.4	355	10,527	3.4
Spring 1960	67,375	661,502	10.2	499	12,512	4.0

Source: McCall Corporation, Circulation Department

APPENDIX I-G

McCALL'S NEEDLEWORK AND CRAFTS CANADIAN CIRCULATION

AS A PERCENT OF TOTAL CIRCULATION

1950 - 1960

Issue	Needlework Total Canadian Circulation	Needlework Total Circulation	% Canada of Total
Spring-Summer 1950	92,667	741,552	12.5%
Fall-Winter 1950-51	100,003	745,409	13.4
Spring-Summer 1951	103,584	726,959	14.2
Fall-Winter 1951-52	105,510	778,008	13.6
Spring-Summer 1952	103,506	758,677	13.6
Fall-Winter 1952-53	109,510	800,029	13.7
Spring-Summer 1953	100,423	699,060	14.4
Fall-Winter 1953-54	102,996	753,792	13.7
Spring-Summer 1954	93,200	656,745	14.2
Fall-Winter 1954-55	94,906	709,036	13.4
Spring-Summer 1955	82,281	589,262	14.0
Fall-Winter 1955-56	92,896	676,507	13.7
Spring-Summer 1956	73,503	576,504	12.7
Fall-Winter 1956-57	94,728	715,250	13.2
Spring-Summer 1957	80,481	618,631	13.0
Fall-Winter 1957-58	102,048	782,454	13.0
Spring-Summer 1958	83,275	642,456	13.0
Fall-Winter 1958-59	105,893	837,881	12.6
Spring-Summer 1959	80,185	652,728	12.3
Fall-Winter 1959-60	103,591	845,881	12.2
Spring-Summer 1960	81,410	712,786	11.4

Source: McCall Corporation, Circulation Department

McCALL'S NEEDLEWORK AND CRAFTS CANADIAN CIRCULATION-SINGLE COPY AND SUBSCRIPTION

AS A PERCENT OF TOTAL SINGLE COPY AND SUBSCRIPTION

1950 - 1960

Issue	Single Copy			Subscription		
	Needlework Canadian Single Copy Sales	Needlework Total Single Copy Sales	% Canada of Total Single Copy Sales	Needlework Canadian Subscription	Needlework Total Subscription	% Canada of Total Subscription
Spring-Summer 1950	85,363	710,105	12.0%	7,274	31,447	23.1%
Fall-Winter 1950-51	92,509	713,898	13.0	7,494	31,511	23.8
Spring-Summer 1951	96,244	696,138	13.8	7,340	30,821	23.8
Fall-Winter 1951-52	98,590	745,166	13.2	6,920	32,842	21.1
Spring-Summer 1952	97,046	726,976	13.3	6,460	31,701	20.4
Fall-Winter 1952-53	103,291	768,019	13.4	6,219	32,010	19.4
Spring-Summer 1953	94,679	668,666	14.2	5,744	30,394	18.9
Fall-Winter 1953-54	97,629	725,792	13.5	5,367	28,000	19.2
Spring-Summer 1954	88,605	630,722	14.0	4,595	26,023	17.7
Fall-Winter 1954-55	90,550	683,572	13.2	4,356	25,464	17.1
Spring-Summer 1955	78,247	564,849	13.9	4,034	24,413	16.5
Fall-Winter 1955-56	89,194	653,466	13.6	3,702	23,041	16.1
Spring-Summer 1956	70,343	554,388	12.7	3,160	22,116	14.3
Fall-Winter 1956-57	91,441	693,043	13.2	3,287	22,207	14.8
Spring-Summer 1957	77,530	597,229	13.0	2,951	21,402	13.8
Fall-Winter 1957-58	99,311	761,296	13.0	2,737	21,158	12.9
Spring-Summer 1958	80,685	622,037	13.0	2,590	20,419	12.7
Fall-Winter 1958-59	103,431	817,436	12.7	2,462	20,445	12.0

(Continued)

- 19 -

APPENDIX I-H

McCALL'S NEEDLEWORK AND CRAFTS CANADIAN CIRCULATION-SINGLE COPY AND SUBSCRIPTION

AS A PERCENT OF TOTAL SINGLE COPY AND SUBSCRIPTION

1950 - 1960

	Single Copy			Subscription		
Issue	Needlework Canadian Single Copy Sales	Needlework Total Single Copy Sales	% Canada of Total Single Copy Sales	Needlework Canadian Subscription	Needlework Total Subscription	% Canada of Total Subscription
Spring-Summer 1959	77,637	631,555	12.3%	2,548	21,173	12.0
Fall-Winter 1959-60	101,149	820,476	12.3	2,442	25,405	9.6
Spring-Summer 1960	77,649	675,373	11.5	3,761	37,413	10.1

Source: McCall Corporation, Circulation Department

APPENDIX I-I

CANADIAN NET CIRCULATION OF McCALL CORPORATION ANNUAL PUBLICATIONS *

AS A PERCENT OF TOTAL CIRCULATIONS

1950 - 1959

Publication	Publication Date	Net Total Canadian Circulation	Net Total Circulation	% Canada of Total
Needlework And Crafts Annual	1950	17,721	186,340	9.5%
	1951	17,809	184,510	9.7
	1952	23,991	211,595	11.3
	1953	20,661	202,625	10.2
	1955	15,101	167,005	9.0
	1956	14,257	167,700	8.5
Children's Annual	1953	10,229	115,350	8.9
Children's Playtime Book	1954	5,917	80,260	7.4
Easy Sewing Book	1958	6,311	72,200	8.7
Christmas Make-it Book	1958	5,617	191,320	2.9
	1959	8,184	225,000	3.6

* Distributed on Newsstands only, not through subscription.

Source: McCall Corporation, Circulation Department

APPENDIX I-J

CANADIAN CIRCULATION OF McCALL'S AND REDBOOK

COMPARED WITH OTHER CANADIAN MAGAZINES, READER'S DIGEST AND TIME

1945 - 1960

Date: BC Statement)	McCall's (Canada)	Redbook (Canada)	Chatelaine	Liberty	MacLean's Magazine	Reader's Digest Canadian Edition	Time Canadian Edition
ne 30, 1945	190,870	65,348	264,911	210,020	286,035	-	71,200
cember 31, 1945	206,793	74,821	270,692	227,329	293,920	-	78,928
ne 30, 1946	207,995	76,696	276,476	233,291	304,635	-	97,040
cember 31, 1946	209,738	86,603	287,148	223,666	311,455	-	100,941
ne 30, 1947	196,061	76,828	284,328	242,675	311,285	-	106,698
cember 31, 1947	185,456	85,373	290,005	198,749	313,565	-	112,700
ne 30, 1948	191,177	84,072	297,559	225,418	324,785	-	117,776
cember 31, 1948	185,296	98,030	300,533	419,191	327,236	519,674	113,237
ne 30, 1949	186,811	98,079	316,974	415,019	342,247	576,301	110,077
cember 31, 1949	186,370	114,249	336,677	412,707	355,885	610,085	113,600
ne 30, 1950	177,553	112,370	370,558	416,610	396,069	629,076	118,189
cember 31, 1950	175,205	127,879	378,866	412,332	411,809	614,757	121,280
ne 30, 1951	193,217	123,403	380,405	411,851	418,122	688,434	125,375
cember 31, 1951	179,934	111,201	380,474	415,611	418,251	669,160	130,474
ne 30, 1952	178,919	110,153	381,137	412,543	423,676	670,292	143,242
cember 31, 1952	189,542	122,199	379,158	411,013	424,310	656,109	147,415
ne 30, 1953	217,849	117,680	401,053	408,014	447,316	689,857	156,619
cember 31, 1953	210,447	133,175	397,916	402,858	442,984	650,892	158,462
ne 30, 1954	214,191	124,123	401,707	402,232	443,782	708,865	164,611
cember 31, 1954	214,920	144,250	404,159	409,599	449,677	700,798	163,529
ne 30, 1955	201,469	166,318	407,637	454,643	472,878	734,191	164,918
cember 31, 1955	211,409	174,648	397,376	459,428	477,664	715,043	168,907
ne 30, 1956	244,819	175,724	422,393	506,299	512,547	776,375	173,768
cember 31, 1956	242,490	189,769	425,293	511,945	516,587	775,888	177,238
ne 30, 1957	202,860	182,925	428,154	526,713	543,924	820,244	179,674
cember 31, 1957	213,572	183,346	422,591	546,181	556,952	809,050	187,741
ne 30, 1958	226,493	177,385	464,451	562,820	573,975	815,779	195,437
cember 31, 1958	212,431	177,045	619,995	563,217	555,850	785,596	203,156
ne 30, 1959	235,600	169,431	758,724	583,378	519,575	816,412	206,988
cember 31, 1959	233,016	175,067	745,589	588,198	505,195	804,195	210,697
ne 30, 1960	254,617	174,158	767,304	590,563	515,577	850,483	223,073
ange 1945-1960	+ 63,747	+108,810	+502,393	+380,543	+229,542	+330,809	+151,873
Change	+ 33.4%	+ 166.5%	+ 189.6%	+ 181.2%	+ 80.2%	+ 63.7% (From 1948)	+ 213.3%

Magazine with a total net paid circulation of 220,000 or more as of June 30, 1960, cept in the case of Redbook. (Does not include "week-end periodicals").

te: New Liberty combined with New World Illustrated magazine March 3, 1948; Chatelaine mbined with Canadian Home Journal, September 1958; Reader's Digest began Canadian rculation in the last half of 1948, and % change shown is from that period on.

urce: ABC Publisher's Statements.

APPENDIX I-K

PERCENT COVERAGE OF CANADIAN HOUSEHOLDS BY THE CANADIAN CIRCULATION OF MAJOR McCALL CORPORATION PUBLICATIONS

1950, 1955, and 1960

Year	Total Canadian Households	McCall's %	Redbook %	McCall's Fashion Patterns %	McCall's Needlework %
1950	3,425,400	5.1%	3.5%	0.7%	2.8%
1955	3,878,500	5.3	4.4	0.5	2.3
1960	4,335,700	5.9	4.0	1.6	1.9

Note - Circulation averages for the full years of 1950 and 1955. First six months average circulations in 1960.

Sources: Sales Management, 1950, 1955, 1960 Editions; ABC Publisher's Statements.

McCALL'S AND REDBOOK CANADIAN GROSS ADVERTISING REVENUE AND PAGES

AS A PERCENTAGE OF TOTAL GROSS ADVERTISING REVENUE AND PAGES

1945 - 1960

	McCall's						Redbook					
Period	Total Ad Revenue	Revenue Canadian Accounts	% of Total Revenue	Total Ad Pages	Pages from Canadian Accounts	% of Total Pages	Total Ad Revenue	Revenue Canadian Accounts	% of Total Revenue	Total Ad Pages	Pages from Canadian Accounts	% of Total Pages
1945	$ 8,962,508	None	-	897.15	None	-	$ 2,630,145	None	-	670.33	None	-
1946	10,263,034	None	-	1,031.63	None	-	2,497,916	None	-	608.00	None	-
1947	11,297,013	None	-	1,087.20	None	--	2,256,704	$ 12,352	0.5473%	482.33	2.63	0.5452%
1948	11,872,274	None	-	1,037.89	None	-	1,820,981	2,233	0.1226	374.00	0.50	0.1336
1949	10,737,228	$ 3,750	0.0349%	879.32	.39	0.0443%	1,467,128	2,493	0.1699	281.33	0.50	0.1777
1950	9,940,858	2,500	0.0251	825.32	.26	0.0315	1,433,271	1,662	0.1159	276.33	0.30	0.1085
1951	11,446,186	1,338	0.0116	873.31	.13	0.0148	1,599,788	3,510	0.2194	280.00	0.63	0.2250
1952	12,697,512	3,028	0.0238	850.76	.23	0.0270	1,542,492	7,550	0.4894	252.33	1.30	0.5151
1953	13,165,666	2,898	0.0220	808.23	.20	0.0247	1,528,188	21,952	1.4364	232.66	2.63	1.1304
1954	13,512,789	1,518	0.0112	789.32	.10	0.0126	1,592,559	25,627	1.6091	238.33	3.18	1.3342
1955	15,317,110	None	-	887.58	None	-	1,937,351	45,061	2.3259	279.66	6.17	2.2062
1956	17,304,222	1,612	0.0093	921.37	.10	0.0108	2,326,343	31,975	1.3744	308.66	4.78	1.5486
1957	21,731,543	2,498	0.0114	1,011.81	.14	0.0138	3,137,879	35,326	1.1257	368.00	4.63	1.2581
1958	18,390,989	1,394	0.0075	765.62	.07	0.0091	3,828,975	55,236	1.4425	381.33	6.21	1.6285

(Continued)

APPENDIX II-A

McCALL'S AND REDBOOK CANADIAN GROSS ADVERTISING REVENUE AND PAGES

AS A PERCENTAGE OF TOTAL GROSS ADVERTISING REVENUE AND PAGES

1945 - 1960

	McCall's						Redbook					
Period	Total Ad Revenue	Revenue Canadian Accounts	% of Total Revenue	Total Ad Pages	Pages from Canadian Accounts	% of Total Pages	Total Ad Revenue	Revenue Canadian Accounts	% of Total Revenue	Total Ad Pages	Pages from Canadian Accounts	% of Total Pages
1959	$ 20,263,179	$ 4,496	0.0221%	801.77	0.22	0.0274%	$ 4,566,377	$ 44,460	0.9736%	393.66	4.44	1.1278%
1960	31,569,000*	7,151	0.0226	1,102.75*	0.33	0.0299	5,153,679*	71,581	1.3889	448.66	6.50	1.4487
Total 16 Years	$238,471,111	$32,183	0.0134%	14,571.03	2.17	0.0148%	$39,319,776	$361,018	0.9181%	5,875.61	44.40	0.7556%

* Publisher's Estimates.

Source: P. I. B.

APPENDIX II-B

NEEDLEWORK AND CRAFTS MAGAZINE CANADIAN GROSS ADVERTISING REVENUE AND PAGES

AS A PERCENTAGE OF TOTAL GROSS ADVERTISING REVENUE AND PAGES

1956 - 1961

	Gross Revenue				Total Pages			
Edition	Gross U. S. Total	Revenue Canadian Section	Total	% Canada to Total	Total U. S.	Canadian Section	Total	% Canada to Total
Fall-Winter 1956-57	$137,370	$ 7,630	$145,000	5.3%	50.75	7.50	58.25	12.9%
Spring-Summer 1957	110,205	4,790	114,995	4.2	43.44	4.75	48.19	9.9
Total	$247.575	$12,420	$259,995	4.8%	94.19	12.25	106.44	11.5%
Fall-Winter 1957-58	$148,395	$ 6,985	$155,380	4.5%	58.00	7.00	65.00	10.8%
Spring-Summer 1958	113,910	2,805	116,715	2.5	44.25	2.63	46.88	5.6
Total	$262,305	$ 9,790	$272,095	3.6%	102.25	9.63	111.88	8.6%
Fall-Winter 1958-59	$158,185	$ 5,805	$163,990	3.5%	56.50	5.75	62.25	9.2%
Spring-Summer 1959	124,860	4,025	128,885	3.1	44.50	3.88	48.38	8.0
Total	$283,045	$ 9,830	$292,875	3.4%	101.00	9.63	110.63	8.7%
Fall-Winter 1959-60	$191,266	$ 7,325	$198,591	3.7%	68.88	7.13	76.01	9.4%
Spring-Summer 1960	144,810	3,470	148,280	2.3	51.75	3.38	55.13	6.1
Total	$336,076	$10,795	$346,871	3.1%	120.63	10.51	131.14	8.0%
Fall-Winter 1960-61	$220,952	$ 4,020	$224,972	1.8%	71.25	3.88	75.13	5.2%

Source: McCall Corporation, Pattern Division Records

APPENDIX II-C

McCALL'S PATTERN FASHION MAGAZINE GROSS ADVERTISING REVENUE AND PAGES

1957 - 1960

Year	Total Gross Ad Revenue	Total Ad Pages	Canadian Advertising Revenue and Pages
1957	$234,800	121.73	None
1958	255,300	115.15	None
1959	280,400	111.08	None
1960	368,300	100.40	None

Source: McCall Corporation, Pattern Division Records

APPENDIX II-D

McCALL'S WESTERN AND EASTERN SECTIONAL ADVERTISING

FULL YEAR 1959

Western Region Edition

Issue	Company	Total Western Edition Revenue	% of Total 1959 Revenue
May 1959	American Home Foods		
July	American Home Foods		
August	Louis Milani Foods		
September	American Home Foods		
October	Louis Milani Foods American Home Foods		
November	Doubleday & Company		
December	Louis Milani Foods American Home Foods		
Total		$31,728	0.16%

Eastern Split

Issue	Company	Total Eastern Split Revenue	% of Total 1959 Revenue
October 1959	Empire State Pickling Co.	$ 5,370	0.03%

Source: McCall's Magazine, Production Department Records.

APPENDIX II-E

McCALL'S WESTERN AND EASTERN SECTIONAL ADVERTISING

FULL YEAR 1960

Western Edition			
Issue	Company	Total Western Edition Revenue	% of Total 1960 Revenue
nuary 1960	Procter & Gamble - Cheer		
bruary	Los Angeles Soap Company		
rch	Los Angeles Soap Company		
	Procter & Gamble - Cheer		
	Lewel Manufacturing Company		
ril	Procter & Gamble - Cheer		
	Los Angeles Soap Company		
	Norris-Thermador Company		
	Thayer, Incorporated		
	Donmoor-Isaacson		
y	Donmoor-Isaacson		
	Los Angeles Soap Company		
	Procter & Gamble - Cheer		
	Thomas Textiles		
	Hexol, Incorporated		
	British Overseas Airway Corporation		
	Purex Corporation		
	Hunt Foods - Tomato Paste		
ne	Los Angeles Soap Company		
	Hexol, Incorporated		
	Purex, Incorporated		
	Hunt Foods - Catsup		
ly	Shasta Water Company		
	Hollywood - Mail Order		
	British Overseas Airway Corporation		
	Procter & Gamble - Cheer		
	Facialift International		
	Hunt Foods - Tomato Paste		
gust	Shasta Water Company		
	Los Angeles Soap Company		
ptember	Movie-Star - Slip		
	Trimfit Hosiery		
	Procter & Gamble - Cheer		
	British Overseas Airway Corporation		
	Jantzen		
	Hunt Foods - Peaches		
tober	F. E. Compton		
	Los Angeles Soap Company		
	Roman Meal		
	Bristol-Myers-Tandem		
	Hunt Foods - Tomato Paste		
vember	Bristol-Myers-Tandem		
	Procter & Gamble - Cheer		
	Friendship Greetings		
	Stauffer Laboratories		
	Concord Electronics		
	Hunt Foods - Tomato Paste		
cember	Roman Meal		
	Hunt Foods - Tomato Paste		
	Total	$213,791	0.68%

urce: McCall's Magazine, Production Department Records.

2

APPENDIX II-E

McCALL'S WESTERN AND EASTERN ſ ONA ADVERTISING

FULL YEAR 1 ɔ

Eastern Edition			
Issue	Company	Total Eastern Edition Revenue	% of Total 1960 Revenue
arch 1960	Lewel Manufacturing Company		
ctober	Pearl Wick Company Ma-Ro Hosiery Company		
ovember	Pearl Wick Company		
ecember	General Foods - Yuban		
	Total	$34,070	0.11%

ource: McCall's Magazine, Production Department Records.

APPENDIX III-A

CURRENT COVER PRICES OF McCALL CORPORATION PUBLICATIONS

IN THE U. S. AND CANADA

PUBLICATION	U.S.	CANADA
McCall's Magazine	35¢	Same as in U.S.
Redbook Magazine	35¢	"
McCall's Pattern Fashions	35¢ 50¢	See Note "A" See Note "B"
McCall's Needlework and Crafts	50¢	Same as in U.S.
McCall's Needlework Annual	$1.00	"
McCall's Children's Annual	$1.00	"
Christmas Make-It Book	$1.00	"
McCall's Sewing Book	50¢	No Canadian Distribution
McCall's Easy Sewing Book	50¢	See Note "C"

Subscription prices are identical in the United States and Canada.

Note "A":

McCall's Pattern Fashions

Distributed in the Fall of 1960 as a test of price preference. In Canada, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, 35¢ copies were distributed.

Note "B":

McCall's Pattern Fashions

As part of the above mentioned test, the Canadian provinces of Manitoba, Alberta, British Columbia, Ontario, Newfoundland and Saskatchewan received 50¢ copies.

Note "C":

McCall's Easy Sewing Book

Distributed in August, 1960 in the U.S. and Canada as a Sales Test. Canadian areas not participating in this test were Toronto, Montreal, Vancouver, Quebec City and Winnipeg.

Source: McCall Corporation, Circulation Department

APPENDIX III-B

McCALL CORPORATION EXPENDITURES IN CANADA

(1959)

Payments to Provincial Paper Co.			$200,000 *
Estimated portion of Salaries and Wages	Toronto Office	$80,697	
	Portion of SM	27,317	
			108,014
Expenditures for Radio, TV, & Direct Mail Advertising (Subscriptions)			27,000 *
Payments to Wholesale Distributors			131,313
Payments to Newsstand Distributors			219,804
General Publicity in Canadian TV, Radio, Newspapers			15,000 *
Payments to the Federal Government for Postage			102,932
Payments for Rent and Misc.			10,884
Payments for Hauling			23,810
			$838,757 **

* Approximate annual amount.

** Exclusive of Sales Taxes.

SUBMISSION OF
EWART M. BASSINGTHWAIGHTE

The writer appreciated the urgent invitations of your secretaries to be present at the hearing in Toronto at 2.30 p.m. Friday, the 16th December, 1960, and regrets that time was not available for me to answer questions on the John Inglis Co. Limited brief and to amplify the statements made therein. I will therefore submit these comments as a personal submission under the following headings:

Brief comparison of circulation of Canadian Periodicals in Canada with circulation of U.S. Periodicals in Canada and percentage increases in last five years.

Necessity for Canadian secondary manufacturing to have adequate circulation of Canadian Periodicals in order to:

1. Maintain employment in Canadian manufacturing plants.

2. Lower costs in Canadian manufacturing.

3. Maintain employment in the commercial art, commercial photography, engraving and typesetting trades.

4. Reducing taxes by reducing costs of second-class mail in Canada.

5. Necessity to continue to maintain a Canadian identity.

6. Recommendation.

Brief Resume of Non-Trade Periodical Circulation in Canada - Canadian and U.S.

	June 1955	April 1960
ABC Report of Circulation of Canadian Periodicals in Canada not including Time and Readers Digest	2,170,570 (Magazine Ass. of Canada)	2,350,314 (Marketing, Nov. 1960)
ABC Report of Circulation of U.S. Periodicals in Canada, including Time and Reader's Digest	4,074,000 (Magazine Assoc. of Canada)	6,096,380 (Marketing, Nov. 1960)
Increase in ABC Circulation of Canadian Periodicals in Canada, not including Time and Reader's Digest, June 1955 to April, 1960:		180,256 (About 8%)
Increase in ABC circulation of U.S. Periodicals in Canada including Time and Reader's Digest		2,020,620 (About 49.6%)

Reader's Digest and Time do not qualify in my opinion as Canadian periodicals because of lack of Canadian editorial material. As to advertising in Time, I am informed that Canadian advertisers send only art work to Chicago, engraving and typesetting is done in Chicag .

Necessity for Canadian Secondary Manufacturing to have Adequate Circulation of Canadian Periodicals to:

Maintain Employment in Canadian Manufacturing Plants: Canadian manufacturing of major applicances has been under peculiar difficulties for the last 10 years, both as to domestic and export business. Domestic tariffs have been reduced during a large part of this period by the premium on the Canadian dollar of from 3 per cent to 6 per cent. Export business has been practically eliminated because of this premium. In 1950-1953 my employer enjoyed a substantial volume of export of washing machines to Switzerland, Belgium and Luxembourg, and some South American countries; e.g., in 1951 we were reported to have sold 40 per cent of all the washing machines sold in Switzerland. The premium on the Canadian dollar has made imported U.S. appliances cheaper for U.S. subsidiaries, Canadian importers and distributors, and thus easier to compete with small-volume Canadian manufacturers, whose whole industry unit volume in Canada amounts to about 3 per cent to 7 per cent of U.S. unit volume. Our export department was discontinued in 1955.

As sales taxes increased to the present figure of 11 per cent this tax also presented an increased saving to the importer of

U.S. appliances, as he pays the tax on the imported price including duty, rather than on his selling price in Canada which would include profit and distribution cost.

Costs of development and tooling for the major appliance business in order to compete with U.S. appliances has also gone up rapidly. New products and/or new types of old products increased to the point of representing about 80 per cent of total dollar value of major appliances. Development and tooling costs of these new products were very much higher per unit than for the U.S. manufacturer, and this has been increased by the necessity to compete with U.S. products advertised in U.S. periodicals in number of models, annual model changes and increased use of gadgets and "gimmicks" in U.S. models.

During this period, American T.V. has gained free admittance to the great majority of Canadian homes. With it has come a great flood of advertising of American products.

During this period, American periodicals with lavish editorial content and colorful and very expensive advertising have come to dominate the reading of the average Canadian family and, particularly, in the above-average-income Canadian homes, able to buy the newest in appliances, and

dictate the desires and register the U.S. brands emphatically in Canadian minds.

Under these circumstances, a Canadian manufacturer must depend on strong Canadian periodicals to sell his goods, particularly when those goods represent substantial investments by Canadian buyers. Illustrations of his product must make his product as attractive as the U.S. counterpart, and that can only be done by the use of 4-colour advertisements printed on the fine paper used in magazines. Such advertisements are read by all the family and have a "reading life" much in excess of newspaper advertisements. Newspaper advertising is short-lived, and newspaper pages are dominated by the double and triple spreads of food chains and department stores. Newspaper appliance advertising tends more and more to be retail advertising featuring price, not product, advantages. Canadian T.V. is at a great disadvantage in listener interest, in expense per viewer for programmes competitive with U.S. programmes and thus is beyond the reach of all but U.S. subsidiaries who can import the U.S. programme free by paying time and line charges in Canada with no programme cost.

Under the present circumstances, it is not surprising to find that, notwithstanding continuous tooling investments, aggressive sales

and advertising efforts, and ever-lasting cost-reduction programmes by Canadian manufacturers, from 6 per cent to 40 per cent of common major appliances are being imported from the United States and that, in particular, Canadian subsidiaries of U.S. appliance manufacturers import a substantial part of their Canadian unit sales. Some subsidiaries sell 100 per cent imports. Many Canadian importers distribute U.S. manufactured lines. This substantially affects employment in Canadian appliance plants. In the first half of 1960 about 39 per cent of all automatic washers, 25 per cent of automatic dryers, 20 per cent of refrigerators and 24 per cent of freezers were imported.

The dominating position of U.S. periodicals, providing a vast amount of free advertising of the type required to sell appliances, is certainly partly to blame for this situation, and it is essential to develop a climate in which Canadian periodicals can become strong enough to enable Canadian appliances and other products to be competitively advertised to Canadians.

Lower Costs in Canadian Manufacturing: If Canadian periodicals dominated the Canadian scene, costs could more readily be lowered by minimizing number of models, model changes and gadgetry and "gimmicks", thus lowering

annual development and tooling costs and all manufacturing costs.

Maintain Employment in the Commercial Art. Photography, Engraving and Type-Setting Fields: Imported advertising material and editorial content substantially affects the employment of Canadian artists, photographers, engravers and typesetters, as well as the Canadian investment in plants of this type.

Reducing Taxes by Reducing Costs of Second-Class Mail in Canada: The Post Office Department deficit in fiscal 1958-1959 includes an item of about $23,146,880 loss on second-class mail. About two-thirds of this must be on periodicals of largely U.S. content. I respectfully submit that this deficit could be eliminated by a realistic cost for second-class mail which would be non-discriminatory and applicable to all periodicals.

Necessity to Maintain a Canadian Identity: Having many friends and associates in the U.S., as well as many relatives and a wife who were born in the U.S., and getting along quite amicably with them all, I am not anti-American. But I do believe that there is a Canadian identity and that the maintenance and development of Canadian ideas and attitudes through all types

of Canadian media is extremely important.

Since the Revolutionary War of 1776 the United States has been through a violent civil war, it's wars with Mexico and Canada, and a violent and extended period of settlement of it's western lands. Canada, since 1763, has largely followed a course of peaceful evolution, even in the settlement of its Indian tribes.

In the U.S., apparently the "Peacemaker" was the Colt "45", but in Canada it was practically always the Royal Canadian Mounted Police.

Canada's Judges, Magistrates and Prosecutors are appointed and it's judicial system seems, relative to the U.S., to be swift, impartial and unaffected by politics. It's governing political bodies - the provincial and federal cabinet members - on the other hand, are elected by majority vote and seem more responsible to the public will.

As a result, and although Canadians can take little credit for it themselves, it seems to me that Canada has evolved into a more law-abiding and even more democratic country than the U.S. In my humble opinion, this historical background and governmental environment has made Canadians different, and, with further development along our own lines without outside domination

Canada can be a great nation and a powerful asset to peaceful world development. U.S. military domination is a necessary fact of life, U.S./ economic domination is a foreseeable danger. Surely the domination of the periodical field by Canadian periodicals is an absolutely essential objective.

Recommendation: I hesitate to suggest that there is any one means whereby this objective can be attained. But I am quite familiar with the rather arbitrary valuations for duty imposed by our Customs Departments on companies from whom we purchase some components in the U.S. These valuations are arbitrarily higher where the Canadian content of the finished product is low, and lower where the Canadian content is high. I submit that some consideration might be given to a non-discriminatory excise tax on all periodicals, Canadian or otherwise, without regard to country of origin and based solely on Canadian content of both editorial and advertising material. Sales tax, if any, should be removed. The rate of tax might well be one-half of the regular selling price of the periodical and would be established by representatives of our Inland Revenue Department on an annual basis from zero to 100 per cent, depending on Canadian editorial and advertising content. The net revenue might be applies to the reduction of second-class mailing costs.

---Upon resuming at 10.30 a.m.

SUBMISSION OF
THE FRENCH-CANADIAN ASSOCIATION OF EDUCATION
FOR THE PROVINCE OF ONTARI

APPEARANCES:

Henri Charbonneau

Aime Arvisais

EXHIBIT NO: O-116

THE CHAIRMAN: Would you identify yourself, please.

MR. CHARBONNEAU: My name is Charbonneau.

THE CHAIRMAN: Would you proceed.

MR. CHARBONNEAU: The French-Canadian Association of Education for the Province of Ontario consider it a pleasant duty to make representations to the Commission, in reply to your kind invitation, regarding the detrimental effect of the competition from foreign publications upon Canadian publications.

The first obvious principle we shall set forth is that a nation cannot keep its national identity, and much less develop it, unless it is supplied with appropriate sources from which to draw some inspiration consistent with its natural talents and deep aspirations. A country such as ours, therefore, who takes pride in

proving its worth, from an historic, political and cultural point of view, is not only justified but is duty-bound to protect itself against foreign publications when they threaten its national identity by their quantity as well as by their style.

This memorandum will not endeavour to show the extent to which our Canadian publications are crushed by across-the-border compotition; it only states a fact, assuming that other Canadian organizations, more directly affected financially by this competition will try to give an accurate account of its influence.

However, the French-Canadian Association of Education for the Province of Ontario wishes to point out that, in their opinion, the danger is such that in self-defence radical protective measures must be taken in order to ensure our cultural survival: imposition of customs duties, prohibition of importations and, if necessary, confiscation pure and simple.

Evidently, we do not advocate an indiscriminate prohibition of publications (newspapers, magazines and books) from neighbouring or friendly countries whose civilization is similar to our own and who use one or the other of Canada's official languages. This would be unadulterated xenophobia and a fatal policy, from a cultural

as well as an economic point of view, for we would thus deprive ourselves of a useful and sometimes even an indispensable source of information for our personal welfare as well as for our collective prosperity. This, however, is not true in the case of the literal invasion of intellectually mediocre and sometimes frankly immoral publications coming from the United States which constantly threaten to flood our bookstores, magazine displays and libraries.

Besides the preventive measures mentioned above, we think that it would be in order to take positive action by establishing a plan to subsidize truly Canadian publications and by inaugurating a real educational campaign to arouse interest among Canadians for such publications.

In closing, we take pleasure in pointing out a tendency which is becoming more and more widespread among Canadian magazines especially those with distinctive style. In fact, many of those magazines, for various reasons, advertise the fact that they are typically Canadian in a concrete way by pointing out for the benefit of their readers, Canada's dual cultural personality. The French-Canadian Association of Education for the Province of Ontario notes this tendency with pleasure and

expresses the hope that it will become even more widespread, for such publications, stamped with a truly Canadian seal, that of bilingualism, helps consolidate the friendly ties between the two main elements of our Canadian nation.

In appraising the scope of the problem, our Association is aware of the extremely difficult assignment enbrusted to your Commission and we wish you every success in the accomplishment of this task. We hope the Commission will glean enough expert opinions to recommend to the Canadian Government a policy regarding foreign publications which will promote as much as possible our nation an awareness.

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LE COMMISSAIRE BEAUBIEN: Monsieur Charbonneau, quel est le but de l'Association canadienne-française d'Education dans l'Ontario?

M. HENRI CHARBONNEAU: Le but de l'Association canadienne-française d'Education d'Ontario est de veiller à promouvoir les intérêts en général des canadiens-français, et d'une façon toute spéciale les intérêts culturels des Franco-Ontariens.

LE COMMISSAIRE BEAUBIEN: De quelle façon vous y prenez-vous?

M. HENRI CHARBONNEAU: L'Association a son siège social ici, à Ottawa, elle a un secrétariat permanent, et a divisé la province en diverses régions et entretient des contacts suivis avec toutes ces différentes régions.

LE COMMISSAIRE BEAUBIEN: Combien de membres avez-vous?

M. ARVISAIS: Je suis le président de l'Association canadienne-française d'Education d'Ontario. L'Association a été fondée il y a cinquante ans et représente tous les Franco-Ontariens, et comme M. Charbonneau le disait, nous avons une trentaine de régions qui sont organisées et qui sont dirigées par l'organisme central de l'Association d'Education. Nous pouvons dire, après cinquante années d'existence et d'experience que nous en sommes venus à représenter les 500,000 Franco-Ontariens; je crois que nous pouvons dire que durant les dernières cinquante années, notre Association a représenté tous les Franco-Ontariens de la province.

LE COMMISSAIRE BEAUBIEN: Combien de membres avez-vous?

M. ARVISAIS: Ce n'est pas tant les membres que la representation de tous les Franco-Ontariens.

LE COMMISSAIRE BEAUBIEN: Vous recevez des cotisations?

M. ARVISAIS: C'est plus que des cotisations; ce sont des dons volontaires de differents groupements franco-ontariens de la province, qui représentent de 35 à $50,000 par année, pour défendre les intérêts culturels, intellectuels et autres de la province.

LE COMMISSAIRE BEAUBIEN: Ce sont des dons individuels?

M. ARVISAIS: Oui, de chacun des groupements et de chacun des individus.

LE COMMISSAIRE BEAUBIEN: Vous dites, dans le haut de la page 2, au paragraphe 4: "L'Association canadienne-française d'Education d'Ontario tient cependant à signaler qu'à son avis le danger est tel qu'il y va de notre survivance culturelle et que des mesures protectionnistes radicales s'imposent comme moyen de légitime défense." Croyez-vous que la situation est si serieuse que cela, et de quel côté? Du côté anglais, ou américain, ou étranger?

M. HENRI CHARBONNEAU: Je pense que nous croyons que la situation est vraiment très dangereuse, que la littérature americaine qui envahit le pays, tant par son nombre que par son caractère,

qui ne correspond pas exactement à la mentalité et l'idéal canadiens, pose un réel danger. La population canadienne, comme toute population, doit s'alimenter au point de vue culturel, intellectuel, doit lire et s'alimenter, et si la littérature qui s'offre tout naturellement à elle est une littérature d'inspiration d'outre-frontière, nous croyons que l'identité canadienne est certainement menacée.

LE COMMISSAIRE BEAUBIEN: L'idendité canadienne anglaise ou canadienne-française?

M. HENRI CHARBONNEAU: Je crois que le problème se pose pour tous les Canadiens, indistinctement. Je parle des Franco-Ontariens; ils lisent tous l'anglais et sont, par le fait même, exposés presque au même degré que tous les autres. Ce n'est pas parce qu'une revue ou un "pocket-book" est ecrit en anglais qu'il nous est inacceptable; nous faisons partie du grand marché qui s'offre en Ontario dans la littérature anglaise, américaine.

LE COMMISSAIRE BEAUBIEN: Avez-vous des vues précises à offrir quant aux revues de France et de Belgique, par exemple?

M. HENRI CHARBONNEAU: Pour ce qui est de la litterature française, d'origine européenne, je crois qu'il n'y a pas lieu de parler d'invasion, à cause des proportions assez restreintes des importations. En second lieu, je crois que l'élément français, étant ce qu'il est au Canada, étant assez peu nombreux, constitué en minorité, il n'y a pas lieu de restreindre cette littérature, et que si nous voulons developper la civilisation française

au Canada, je crois que non seulement il ne faut pas la limiter, mais qu'il faudrait peut-être la faciliter et la développer. On parle beaucoup ces jours-ci, au Canada français, de la réforme de la langue parlée; c'est tout simplement que nous avons manqué de relations avec la France. Il ne faudrait certainement pas limiter ces relations et ces échanges culturels aujourd'hui, qui sont en majeure partie sous forme d'échange de revues, journaux et livres.

LE COMMISSAIRE BEAUBIEN: Dans le même paragraphe, vous parlez de: "imposition de droits de douanes, interdiction à l'importation et au besoin confiscation pure et simple." Pourriez-vous préciser un peu plus?

M. HENRI CHARBONNEAU: Nous ne nous sommes pas étendus sur le sujet. Nous savons qu'il y a de nombreuses maisons d'édition canadiennes qui sont très sévèrement affectées financièrement par la concurrence américaine; nous savons par les journaux que plusieurs de ces sociétés ont déjà fourni des mémoires demandant à ce qu'on ne favorise pas indûment les maisons d'édition americaines; c'est ce que nous entendions par imposition de droits de douanes, au besoin, pour établir, non pas la libre concurrence, mais une juste concurrence entre les maisons d'édition américaines et canadiennes. Pour ce qui est d'interdiction à l'importation, sans les mentionner, il s'agit ici des revues, de publications, qui déjà sont interdites, et peut-être qu'il y aurait lieu d'en ajouter d'autres à cette liste; enfin, des revues qui ne répondent aucunement à nos

besoins et qui même, peuvent exprimer des idées dont on peut se passer au Canada, indesirables, de qualité très médiocre; au besoin, la confiscation, qui se pratique dans certains cas de revues interdites, qu'on cherche quand même à faire pénetrer au Canada.

LE COMMISSAIRE BEAUBIEN: Une dernière question. Vous dites, à la page 2 de votre mémoire, au paragraphe 6: "Outre les mesures défensives énumérées ci-dessus, nous croyons qu'il y aurait lieu de faire oeuvre positive par la mise en oeuvre d'un système de subventions aux publications authentiquement canadiennes et en conduisant une veritable campagne d'éducation pour stimuler chez les Canadiens la lecture de telles publications." Vous parlez de subventions. Sur quels critères pourrait-on se replier pour pouvoir décider quelles publications devraient être subventionnées et lesquelles ne devraient pas l'être? Avez-vous des suggestions à nous donner?

M. HENRI CHARBONNEAU: Il y aurait plusieurs critères que l'on pourrait adopter; le premier exemple qui vient à l'esprit serait la subvention donnée par le Conseil des arts, à certaines revues qui se sont distinguées dans le domaine artistique ou littéraire. Il y a des revues, "Culture", par exemple, et il me fait plaisir de signaler "Culture", car c'est une de ces revues à caractère bilingue dont nous avons parlé. Ces revues, à cause de l'effet culturel qu'elles representent, ont mérite des subventions speciales du Conseil des arts. Mais, il y aurait d'autres critères qu'on pourrait adopter: ce

serait le canadianisme, une revue qui s'efforce de faire oeuvre nationale et exprimer l'idéal canadien, qui s'efforce de le préciser, même. Alors, soit par le contenu, ou soit par la qualité de la pensée, qualité de la présentation même, toute revue qui s'impose et qui fait honneur au Canada mériterait, il me semble, l'encouragement, soit du Gouvernement, soit de nos maisons d'éducation ou de nos diverses sociétés.

LE COMMISSAIRE BEAUBIEN: Votre organisation date de quand?

M. HENRI CHARBONNEAU: Nous avons célébré le cinquantenaire le printemps dernier.

LE COMMISSAIRE BEAUBIEN: Elle a cinquante ans.

M. HENRI CHARBONNEAU: Oui, monsieur.

M. ROGER CHARBONNEAU: Je suis Roger Charbonneau, secrétaire général de l'Association canadienne-française d'Education d'Ontario. Nous pourrions ajouter que nous agissons comme centre d'intermédiaire entre la population franco-ontarienne et le Gouvernement ou le ministère de l'Instruction publique, et comme preuve, nous recevons une subvention, si minime soit-elle, mais une subvention du ministère de l'Instruction publique. Deuxièmement, bon nombre de sociétés d'envergure provinciale sont affiliées moralement à notre association et elles ont droit de siéger à notre conseil d'administration, telles que l'Association des commissaires d'écoles, associations de femmes, la Société Saint-Jean-Baptiste d'Ontario, Société de cultivateurs,

clubs, sociétés, etc., ce qui nous donne réellement le titre de représentant de la pensée franco-ontarienne.

LE COMMISSAIRE BEAUBIEN: Y a-t-il un bon nombre de lecteurs, dans l'Ontario, de publications françaises, par là, je veux dire des periodiques d'origine outre-mer française?

M. HENRI CHARBONNEAU: Je crois que toute réponse que je pourrais donner est nécessairement très relative, n'ayant pas de statistiques à la main. Dans le Canada français, en général, on constate assez souvent que nous faisons une consommation assez limitée de périodiques et de livres français, - de périodiques surtout. Je pense que la meilleure raison que je pourrais vous donner serait qu'il me faudrait au moins une heure de temps pour trouver un quotidien français, ici, à Ottawa; c'est très difficile à trouver, il n'y a qu'un seul endroit, peut-être deux. En Ontario, on ne lit pas les quotidiens français.

THE CHAIRMAN: Can you buy Paris Match in Ottawa?

MR. CHARBONNEAU: Yes.

THE CHAIRMAN: Marie France?

MR. CHARBONNEAU: These magazines, yes.

THE CHAIRMAN: They are on sale here?

MR. CHARBONNEAU: Yes. As to dailies, I think it is next to impossible.

THE CHAIRMAN: They are not easy to find; they are not a problem, then?

MR. CHARBONNEAU: And I think when we find one it is three or four days late.

THE CHAIRMAN: Do many French books come from France, paper-covered books?

MR. CHARBONNEAU: Yes.

THE CHAIRMAN: Are they read widely in Ontario?

MR. CHARBONNEAU: Yes, there is a much greater volume of books coming in; textbooks, novels which have won international awards are read here -- not to a tremendous extent -- and I am sure that creates no problem in view of the very, very limited extent.

THE CHAIRMAN: They wouldn't come under your remedy of confiscation then?

MR. CHARBONNEAU: Well, I have referred to a type of daily or periodical that creates a

problem in the achievement or fulfilment of our national ideal, and I don't think that any French periodical, in view of the distance, in view of the political, geographical context, can create the problem that we have with our neighbours, our good neighbours, our very good neighbours from the south.

THE CHAIRMAN: Is Samadi read by people in Ontario?

MR. CHARBONNEAU: Not to any extent. We have always had trouble, as a matter of fact, in French-Canada as well as in English-speaking Canada to have periodicals, weeklies, that can achieve a fair financial success.

THE CHAIRMAN: There is no French-language periodical in Ontario, is there?

MR. CHARBONNEAU: We have one daily --

THE CHAIRMAN: I mean as a magazine. Le Droit would be your main newspaper.

MR. ARVISAIS: There might be a few minor magazines, but none that would be outstanding.

THE CHAIRMAN: You are not all Anglicized??

MR. ARVISAIS: I don't think so. I will say that we are progressing and learning English and we are trying to be as bilingual as possible, which is not an easy task. We would like to be fully bilingual, not only to speak

English very well but to speak French a little better than we do now.

THE CHAIRMAN: Well, thank you very much, gentlemen.

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THE CHAIRMAN: Would you identify yourself for the record, Father.

REV. FATHER MORISSET: I am the Reverend Father o.m.i. Auguste-M. Morisset, President of L'Association Canadienne des Bibliothecaires de Langue Francais.

SUBMISSION OF L'ASSOCIATION CANADIENNE DES BIBLIOTHECAIRES DE LANGUE FRANCAIS

EXHIBIT NO. O-117

Appearances: The Reverend Father o.m.i. Auguste-M. Morisset

Mr. R. Tangue

The Reverend Desrochers

REV. FATHER MORISSET: Mr. Chairman, I have the honour, on behalf of the Association, to present the following brief.

The Association Canadienne des Bibliothecaires de langue francaise (A.C.B.L.F.) is a national association holding patent letters from the Secretary of State which establish it as a corporation. It has more than 600 members.

Purposes and objectives of the Association.

a) to uphold and improve the professional efficiency required of French-speaking librarians practising their profession in Canada;

b) to promote standards of perfection in the practice of our profession;

c) to help supply a high degree of instruction and training to student librarians;

d) to encourage the creation of libraries

where there are none and to help develop the existing ones by enlightening the public;

e) to publish a review on the reports and works of the Corporation, on libraries and related subjects, and to encourage its publication;

f) to perform any other action and legitimate deeds pertaining or favourable to the realization of the objectives mentioned above.

Periodicals and Libraries. Consequently, the A.C.B.L.F. is most interested in the deliberations and recommendations of the Royal Commission on Publications and all the more so since Canadian magazines and periodicals add to the richness and variety of Canadian life and are essential to our culture and national unity....(C.P. 1960-1270)

Importance and necessity of publications. In view of the importance of and the need for publications as a medium of information, actuality, popular education, instruction, culture, documentation and research, it is essential that publications be given a place of honour in our libraries. They are, in fact, considered a means of communication of a sometimes durable, sometimes ephemeral nature. In most cases it consists of a durable content reproduced nowhere else. That is why it should not only be accumulated and kept but it should also be made

easily available.

Indexes. Cataloguing the reviews.

5 (1). The Canadian Business and Technical indexes 36 Canadian periodicals, only English periodicals.

5 (2). The Canadian Index to Periodicals and Documentary Films index 70 periodicals of which 8 are in the French language.

With a view of obtaining the maximum of efficiency from periodicals they must be indexed.

The annual indexes or those issued every five years or even every ten years or more, are not too adequate. In order to find the required information immediately, one must perform a recapitulative and at the same time a global cataloguing, that is to say a service where several periodicals are catalogued in a single working operation.

In this respect there exists in Canada three indexing services - the Canadian Business and Technical Index and the Canadian Index to Periodicals and Documentary Films and Culture.

The review Culture is primarily a quarterly periodical but it also provides a service of partial cataloguing and classification by order of content; more than 75 periodicals, 43 of which are published in French Canada. On the other hand, from a total of 75 periodicals, more than 20 (French and English) are catalogued by Canadian Index. Seven of the eight French-Canadian periodicals catalogued by

Canadian Index are also catalogued by Culture.

Besides, several Canadian periodicals are catalogued by miscellaneous American Indexes. Please note, however, that only 7 French periodicals published in Canada, 6 of which are catalogued by Culture are also catalogued by the American index The Catholic Periodical Index.

The A.C.B.L.F. suggests to the Royal Commission that steps should be taken to have an Index of a greater number of Canadian periodicals published in the two official languages of this country.

8 (1). Agreement on the National Level. This agreement will permit that the same publication is indexed two or three times. Furthermore, a choice of French and English publications would be made of those which are to be indexed and indication given of the organism that would do the work.

To insure to our libraries the maximum benefit from the contents of publications at least 80 French publications and more than 300 English publications should be catalogued.

The Royal Commission could consider the possibility of including in this index certain Canadian publications written in a language other than our country's two official languages.

Miscellaneous publications in various languages. In view of the importance for Canada to have publications in various languages at all levels, from popular education to research, the Association

recommends to the Royal Commission to propose proper measures in order to insure easy access by libraries, not only to publications written in the two official languages of the country, but in other languages as well.

Propagation of Canadian publications abroad. In view of the influence Canadian publications could wield abroad, the A.C.B.L.F. recommends to the Royal Commission to try and have selected Canadian periodicals, in the French and in the English language, sent to Canadian Embassies, made accessible to foreign countries and offered to the most important national libraries.

Survey of Canadian publications. In view of the fact that Canada has not yet had a survey of all periodical publications and in view of the recommendation made by the Royal Commission for the promotion of Arts, Letters and Sciences in Canada.

That the personnel and funds required be made available for the publication, at regular intervals and as approved by the Director of the Advisory Commission on the complete bibliographical information published in Canada ... (French text of the report of said Commission, page 384 g) 1)

Consequently the A.C.B.L.F. is happy to second this recommendation. Such a survey could be made in the form of a classification by title, by content, geographical and linguistic division, by readers (children, juveniles, unlearned adults and

others, researchers) by the number of periodical issues, circulation or any other classification which might be useful.

Canadian Union List of Serials. Such a catalogue would be a precious help in libraries and would be most useful to researchers especially where loaning services between libraries are concerned.

The A.C.B.L.F. recommends to the Royal Commission that the preparation of such a list be considered as urgent.

17 (1). Finance and Personnel. To implement these recommendations would require competent personnel and urgent and rather considerable financial assistance. It is hoped that this Royal Commission would make, among others, the proper recommendations for the training of a more numerous competent personnel and the necessary funds for the maintenance and development of the accessibility of publications in Canadian libraries and of foreign publications, as well as indexes and union list of serials.

L'Association Canadienne des Bibliothecaires de Langue Francaise considers that the views and recommendations listed above and submitted to the Royal Commission on Publications can only prove beneficial to Canadian publishers.

LE COMMISSAIRE BEAUBIEN: Au paragraphe 8 de votre mémoire page 3, vous dites ceci: "L'A.C.B.L.F. recommande à la Commission Royale que des dispositions soient prises en vue de la publication d'un repertoire ("Index") d'un plus grand nombre de périodiques canadiens publiés dans les deux langues officielles de notre pays." Cela voudrait dire une chose d'envergure, assez considérable?

LE PERE MORISSET: Evidemment; c'est pour cela que je l'ai recommandé d'une façon toute particulière à la Commission, parce que cette entreprise nécessiterait d'abord, non seulement une affirmation, mais une enquête assez sérieuse, pour déterminer veritablement quel serait le contenu de ce repertoire que nous voudrions publier, parce qu'il existe déjà au Canada français le barème des repertoires, - en anglais des "Index", - mais, limité au possible, par exemple, "Culture". Si nous prenons la liste des revues au Canada français et anglais, après une enquête superficielle ou une espèce de releve, on a pu constater qu'au moins 80 periodiques de langue française mériteraient d'être depouillés, et non pas une douzaine; dans la langue anglaise, il en faudrait au moins 300, même 400, pour être en état, comme bibliothécaire, de donner à nos lecteurs les renseignements qu'ils exigent de nous, et donner ces renseignements qu'ils exigent, pas seulement avec exactitude, mais avec rapidité. Alors, cet index nous permettrait, non seulement, à nous et aux chercheurs, de trouver les renseignements, mais de les trouver avec rapidité et facilité.

LE COMMISSAIRE BEAUBIEN: Est-ce que vous

préconisez une organisation centrale? Est-ce que ce serait une centralisation pour faire l'ouvrage?

LE PERE MORISSET: A toutes fins pratiques, une centralisation dans ce domaine rendrait un meilleur service. D'abord, si les fonds nécessaires etaient offerts pour atteindre cette fin, on pourrait alors obtenir par une espèce de centralisation une coopération plus étroite des gens qui sont compétents, soit dans la documentation, dans la langue et dans la matière. Il y a trois choses, quand on fait un dépouillement, qui entrent en ligne de compte: d'abord, la technique elle-même du depouillement; si je fais ce depouillement en français, en anglais, en allemand, ou en toute autre langue, je dois connaître la langue; si c'est en philosophie, en sciences sociales, etc., il faut qu'une personne ait une initiation à la discipline particulière qu'elle doit dépouiller.

LE COMMISSAIRE BEAUBIEN: Avez-vous une idée du nombre de personnel qu'une telle organisation demanderait?

LE PERE MORISSET: Ce n'est pas facile. Présentement, il y a des dépouillements qui se font à Toronto, la Toronto Public Library; il y a un depouillement qui s'est fait à l'Association des périodiques canadiens; un autre est fait par Culture, à Québec. Si j'ai 80 revues en français et 300 ou 400 en anglais, il ne serait pas facile d'opérer en terme de depouillement sans un personnel de 12 ou 15 personnes. Il faudrait faire une enquête ou demander à la Canadian Library Association combien de personnes sont attachées à leur service; il faudrait demander

à la Toronto Public Library, qui fait un dépouillement de certaines revues, combien ils affectent de personnes à ce service.

LE COMMISSAIRE BEAUBIEN: D'où proviennent vos revenus, à ce moment, pour l'ouvrage que l'Association fait?

LE PERE MORISSET: A l'Association canadienne des bibliothécaires de langue française, nos revenus proviennent presque uniquement des membres, des cotisations. Nous publions une revue qui a un certain nombre d'annonces, et cela nous permet pratiquement de défrayer les frais de publication. La plupart du travail de l'Association se fait d'une façon bénévole. Nous prévoyons qu'avant longtemps il nous sera possible d'etablir un secretariat permanent. Le travail du secrétariat, nous avons le president, le secrétaire, le trésorier, qui sont présents ici ce matin, et tout leur travail est bénévole, ils font leur travail à titre gracieux, pour que l'Association prenne de l'ampleur; on prevoit que d'ici à quelques années, et je dirais même d'ici à quelques mois, en raison de la nouvelle loi de la province de Québec sur les bibliothèques, les bibliothèques vont prendre une expansion considérable et vont necessiter une mise d'activité de la part du personnel plus considérable, et il faudra avoir un secrétariat permanent pour donner le service qui s'impose dans les circonstances.

LE COMMISSAIRE BEAUBIEN: Un bibliothécaire doit suivre un cours spécialisé; où peut-il avoir son entraînement?

LE PERE MORISSET: Au Canada, il y a une

école de bibliothécaires à l'Université de Toronto, une école de bibliothecaires à l'Université McGill, il y en a une à l'Universite de Montréal et une à l'Université d'Ottawa; alors, il y a quatre écoles: deux écoles de langue anglaise, une ecole de langue française à l'Université de Montreal, et une bilingue à Ottawa. A l'Université Laval, on donne des cours de bibliothéconomie, ainsi qu'à l'Universite Western et à Mount Allison aussi.

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THE CHAIRMAN: Thank you very much, sir..

REV. FATHER MORISSET: For the benefit of those who may have some difficulty when I speak French, even although I try to speak very slowly, if it is possible for me to give any further information in English I will try my utmost to brush up my English; although I have a certitude that you do understand French.

THE CHAIRMAN: I am sure you do very well. The fact that we do not ask too many questions doesn't indicate a lack of interest. I can assure you that your submission will be studied very carefully.

REV. FATHER MORISSET: Thank you very much, Mr. Chairman.

M. TANGUE: Je suis Raymond Tangue, membre consultatif du conseil de l'Association des bibliothécaires de langue française. Je voudrais ajouter une remarque au sujet de l'index, c'est-à-dire du répertoire et du catalogue collectifs qui forment le noeud ou l'essence des recommandations du memoire soumis. Les revues se rapportant aux sciences appliquées seraient dans ce répertoire, mais ce changement serait plutôt pour les revues s'occupant des sciences humaines. Les revues qui permettent la diffusion des courants d'idées canadiennes ne sont consultees que lorsque les index les familiarisent aux chercheurs. On procéderait dans un cercle vicieux si en encourageant la publication de periodiques de langue française, on négligeait d'en donner les indications dans le repertoire. Pour étendre un peu la remarque du paragraphe 10, il serait vraiment desirable que des extraits des revues publiées au Canada dans une langue autre que l'anglais ou le français soient publiés pour que l'on sache quels sont les courants d'idées et de pensées dans les autres groupes ethniques du Canada. Je sais que certains ministères ou services du gouvernement du Canada font actuellement ce dépouillement et en extraient la substance des articles; il serait excellent que le public en soit informe; je crois que cela aiderait à la compréhension de nos concitoyens. Je vous remercie.

THE CHAIRMAN: Thank you very much.

REV. FATHER MORISSET: With a view to brushing up a little bit my English I would like to stress only two points.

The last line of my brief is like this: "This Royal Commission on Publications can only prove beneficial to Canadian publishers." We feel that all the recommendations made will help immensely the Canadian editor.

I would like to stress upon this fact, that if there are more periodicals indexed therefore the more will be used; therefore, when a library subscribes to periodicals if they have a choice of two, and if one is indexed and the other is not then the preference will be given to the one that is indexed.

For the spreading abroad it is very important as well, for instance, for our good neighbours in the United States. Therefore, if they have good indexes and if they find out that they can get Canadian periodicals which are indexed this will certainly increase the demand for Canadian periodicals.

Another point I would like to stress about the periodicals is the importance and the necessity of having periodicals from abroad coming into Canada. I have, from one of my colleagues from the University of Ottawa, some statistics of the University of Ottawa. In medicine and pure applied science we have more than 1,200 periodicals; in the main library about 550

periodicals; in the School of Nursing, 18; in the library of the school, 45; in the School of Psychology, 167. Therefore, we receive 2,100 periodicals.

In the library of the faculty of ecclesiastics we have, this year, in periodicals from Canada: French, 46 and English, 6; the United States: English, 44 and various languages, 1; from France, 80 periodicals; from England, 14; from Switzerland, 3 French, 1 German and 1 in other languages; from Belgium, 25 periodicals, 5 Latin and 2 other languages; from Germany, 9 periodicals; from Holland, 1 Dutch, 2 Latin, 1 English and 1 other languages; from Spain, 32 periodicals and 4 in Latin; from Italy, 21 periodicals, 2 French, 1 English, 24 Latin and 3 in other languages; from Poland, 1 in Latin; from Argentina, 1 in Spanish; from the Lebanon, 1 in French; from Egypt, 2 in French; from Portugal, 2; from Columbia, 2 in Spanish; from Ireland, 3 in English; from Brazil, 2 in Portuguese; from the Congo (ex-Belgian), 1 in French; and from Jordan, 1 in Latin.

From that you get an impressive figure. It shows that it is of paramount importance not only for the information and culture but also for the documentation and research that we have to carry on with the utilising of publications coming from the outside and, at the same time, try to help our Canadian publishers.

Thank you.

THE CHAIRMAN: Do you ever get time to teach down there?

REV. FATHER MORISSET: We do our best.

THE CHAIRMAN: Thank you very much.

--- Recess.

SUBMISSION OF
HONOURABLE C. C. PRATT
NEWFOUNDLAND

COMMISSIONER JOHNSTON: Mr. Chairman, with your permission I would like to read a short document that I received personally from Senator C. C. Pratt. It is of some value to this Commission, I think, because it sets forth the view, and the only view we have to date from the province of Newfoundland.

THE CHAIRMAN: Yes.

---EXHIBIT NO. O-118: Submission of Hon. C.C. Pratt.

COMMISSIONER JOHNSTON: Senator Pratt says this: As a Canadian from the province of Newfoundland I wish to express my views on certain aspects of the matter which is being considered at this time by the Royal Commission on Publications.

Mr. Chairman, I should say, perhaps, that Senator Pratt is away; he is at the United Nations in an official capacity, which accounts for his not being here.

At the outset I should make it clear that I would not, in the slightest degree, be partial to any policy of Government (if such should develop) based on a fear of economic absorption by the United States, which seems to be distressing some people these days. We are

unquestionably tied in very closely with the United States in industry and commerce and it is in the interests of both countries that full advantage be taken of that natural situation. There are numerous industries in Canada of fundamental importance to the life of our people which simply would not be here except for American capital and initiative. The prevailing interlocking of industry and other interests with those of the United States and indeed with those of the United Kingdom brings into our country the result of research and development to a degree that we could not possibly originate and put into effect ourselves. Notwithstanding that interpendence, we can and certainly should stand on our own feet and take care of our interests in a reasonable and proper manner.

I have mentioned my views and convictions on our economic relationships as a bit of personal background for the brief comment I shall now make on the particular subject of study by the Royal Commission on Publications.

The relationships between Canada and the United States are particularly widespread and touch all phases of our life. As in the economic field reasonable safeguards are required, so in the more general sphere of national

thought and aspirations as well as the preservation of valued traditions, we need measures of assurance that their maintenance will be encouraged.

I feel we have reason to be concerned with what seems to be an approaching monopoly by American magazines circulating in Canada. Such publications, informative as they are on world affairs and happenings in the United States, cannot be very useful in dealing with Canadian problems, particularly as applicable to the various parts of Canada. Only Canadian publications edited within Canada and circulated throughout the Dominion can convey required information and useful points of view on what is going on within the provinces.

There is unquestionably an urgency for a broader understanding by the people throughout Canada of the circumstances prevailing in each province. The Province of Newfoundland, for example, needs for common citizenship reasons a much wider spread of information relating to its life and conditions than is now prevalent in Canada. American magazines can do very little of this for any of the provinces. My opinion is that Maclean's magazine and the Financial Post alone have more references to Newfoundland than all the outside publications that circulate throughout

Canada each year.

As American magazines increase in circulation each year and those of Canada continue to decrease there will be constantly less opportunity for interprovincial knowledge to spread throughout the nation.

It is generally understood that the publications of the United States with Canadian sections of advertising and news have a great advantage over those of Canadian origin by reason of the fact that the major cost of issuing is met by income from the distribution within the United States. That fact places the Canadian competitors at a very great disadvantage. Under no circumstance would I suggest there should be any policy to prevent normal and fair competitive circulation of American publications within Canada. I think, however, it is creating a very damaging situation when the circulation of magazines from the United States is constantly increasing and the sum total of similar Canadian issues is decreasing.

A point which is made frequently by those interested in this subject in the United States is that the circulation in Canada of American magazines with Canadian editions makes for free exchange of ideas between peoples of

both countries. I entirely agree with that, but if the economic situation is proven to be such that those publications are reducing the number and circulation of publications originating in Canada, then some form of assistance along reasonable business lines should be devised to help meet that competition.

I feel it will be detrimental to our national interests if a condition is permitted to continue which will weaken the distribution of Canadian-published magazines throughout the provinces of Canada.

THE CHAIRMAN: Thank you. Maybe the press table would like to see this.

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SUBMISSION OF
THE BOOK PUBLISHERS ASSOCIATION OF CANADA

APPEARANCES:

John M. Gray

Victor M. Knight

---EXHIBIT NO. O-119: Submission of The Book Publishers Association of Canada.

MR. GRAY: Mr. Chairman, I am John Gray, President of the Macmillian Company of Canada. Mr. Victor M. Knight, Vice-President and Managing Director of S. J. Reginald Saunders and Company, Limited is with me, and both of us represent the Book Publishers Association of Canada.

THE CHAIRMAN: You may proceed, sir.

MR. GRAY: Thank you.

The Book Publishers Association of Canada with headquarters in Toronto includes in its membership most of the Canadian publishers and distributors of general books and text books in the English language.

We appear late in the hearings of the Royal Commission on Publications because we did not at first believe that the matters of which we have experience would contribute sufficiently to your deliberations. We were naturally reluctant to waste any of the Commission's time.

7 Though we were uncertain of our own involvement, we have from the first been alive to the national consequence of any serious threat to the Canadian periodical industry. As a clarifier of Canadian opinion we see no way in which its disappearance could be made good. Moreover it seems clear that the industry is more easily supported now than salvaged should it be allowed to sink, because we cannot imagine that it would be given the time to try again. The more or less amiable forces which threaten to wash over our national viewpoint - almost inadvertently - would, if successful in this, soon erode all the under-pinnings of a defined Canadian way of life.

If magazines lived simply on readership we might be on the way to having a lively and healthy Canadian periodical press. We know from the sale of Canadian general books in this country that interest in Canada - our history, our problems and the Canadian scene - was never keener. The publishing of such books is seldom commercially attractive but it will become more so and meanwhile it is one of the most stimulating activities of all engaged in the Canadian book trade. Without attributing any embarrassingly pure motives to our periodicals, we believe that many of the people associated with their direction have a sense of

8 mission to match their very considerable abilities.

Canadian book and periodical publishing meet on the common ground that both are doing for Canada (from whatever motives) what no one else will do for us. If we didn't exist the gap would be filled - but differently. I should like to quote a few examples from the Canadian book field, and it would be easy to provide ten times the number:

a) Donald Creighton's John A. Macdonald, a book of the first importance and of tremendous interest to us. Something less than 500 sets were sold in the United States and the opening order for Britain (and the Commonwealth) was 250 sets; this of a work of which the initial printing was and had to be 10,000 copies of Volume I and 15,000 copies of Volume II.

b) Charles Bruce's The Channel Shore and Ralph Allen's The Chartered Libertine both good novels making an important and clarifying statement about life in Canada found no publishers in the United States or in England.

c) James Minifie's important book Peacemaker or Powder Monkey on Canada's role in today's dangerous world was

was not purchased let alone produced by any publisher in England or the United States.

d) Roger Lemelin's novel The Plouffe Family in translation eventually found a publisher in England but found none in the United States.

These examples are an answer, and in our opinion a crushing one, to all who say of writers, of books and periodicals, let them survive against all comers and under all conditions, or let them disappear, they are not worth saving. This hackneyed line fails to recognize that there are things worth doing for ourselves alone, if our existence is of importance. This is not a matter of writing below international standards but of choosing subject matter of special interest to Canadians and of little or no interest to anyone else. By electing not to compete in certain areas authors may do work that is the more valuable in the one area for which it is designed; but to the undiscerning this is a matter for reproach. Fortunately for them the Americans can share their private jokes with perhaps 170 million readers and the British some 50,000,000. We have somehow to make out with some 13,000,000 readers in one language and about 5,000,000 in the other.

Much as we believe in the value of Canadian periodicals to the maintenance of a Canadian viewpoint, it is of their importance to Canadian writers that we have some special knowledge. The writer's difficulty in learning his craft and making a living is great in any country but in Canada it must be more difficult than most. The beginning writer usually writes best about the life he knows, and the experience of being published is essential to his growth. But very few writers can expect to find publication in foreign periodicals until they have served an apprenticeship, so that the very existence of domestic periodicals is a stimulus to writing; and the more numerous such periodicals the greater and more wide-spread the stimulus.

It is hard to distinguish between the function of a periodical press as a general stimulus to writing and as a training ground for writers. To the young writer the possibility of being published is immensely exciting and the very existence of magazines represents that possibility and sustains him through the disappointments and frustrations of his first attempts. The fact that he knows nothing of markets and that the piece he is planning may be quite unsuitable for the magazine on which he dreams of

conferring it is of little consequence. While magazines exist he will hope and try; and their disappearance will silence all but the most hardy.

Many of those who submit their writing will never be published, and most will have success only after several attempts from each of which the writer will learn and grow. At some stage he will receive editorial advice by correspondence or in direct consultation, and this will provide both stimulus and training. (We apologize if in developing this line of thinking we have covered ground which must be familiar to the members of the Commission. But it seemed useful to remind them of the results flowing from the existence of a periodical press and the gap which its disappearance or diminution would create).

This is the training ground available and apparently essential to the writing of books in Canada. With few exceptions we think all Canadian authors of importance have been brought on by this process and many would have been lost entirely had it not been there to help them. In the stage we have described the lack of magazines would be an absolute loss because no alternative could provide the same assistance. Newspapers cannot print many beginning attempts at literature, and few writers of books come from the newspapers.

We mention this because the general public considers that writing is writing, and believes that if magazines weren't available to train writers there would still be the newspapers. In the experience of book publishers this is not an alternative. Something in newspaper training past a certain point seems to be fundamentally disabling to the would be writer of books.

In the draft of the brief there was a phrase which I feel belongs there, "In spite of brilliant exceptions to this rule."

The discipline and wary approach of the newspaperman to material - factual, interpretive - is not easily laid aside, nor can it be that of the creative writer.

Writing for magazines is not an all around training in writing but it is a necessary part of experience; the money to be earned in such writing is perhaps equally important. Here again the advantage is twofold, a boost to morale and a practical contribution to livelihood. It would be difficult to distinguish between these in importance though one is more easily measured than the other. What is certain is that the more writers can devote their time to writing the sooner may we get an important body of literature in Canada.

If I might just interject, on one occasion, writing on this problem, Professor A.K. Brown said something of this sort, "The notion that a whole national literature can grow from the evening and week-end activities of otherwise busy people is an unreal notion and a dangerous one and uncharacteristic of the way great writers grow."

Unfortunately, earnings from books published in Canada on Canadian subjects cannot yet support either the most successful or the most important of our writers. In his statements to this Commission Mr. Blair Fraser, Editor of "Maclean's", stated that in 1960 "Maclean's Magazine" paid $114,000 to free-lance writers. In the equivalent fiscal period one company paid in royalties on Canadian general books $34,000 (royalties on textbooks were more than four times this amount but little or none of this went to or can help general creative writing.) From these figures I would guess -- and this is a personal guess -- that all Canadian general books last year in Canada earned their writers little more than was paid by one magazine; certainly not half as much again.

In the above (though these figures are small) I am not apologizing for the Canadian

book trade nor inclined to do so. Neither in earnings, training nor general support can books offer as much immediate opportunity to a broad range of writers anywhere in the English-speaking world as do magazines. But our report is still one of an improving situation. The figure of royalties on general books in 1960, $34,000, compares with about $5,000 in 1950. Business has not increased by that much but there are more books, and more sales per title at necessarily higher prices and proportionately higher earnings to authors. I should perhaps point out that royalties earned in any one year are not limited to books published in that year, but apply to all Canadian general books still in print and in copyright. In most seasons perhaps two-thirds of earnings are made by the new books and the remaining third by the old.

In calling attention to what Canadian book publishing can and cannot do, I should like, with your permission Mr. Chairman, to read into the record a brief quotation from a statement made at the Canadian Writers' Conference sponsored by the Carnegie Foundation at Kingston in 1955:

> I doubt that any Canadian publisher derives any important part of his revenue (or any net profit) from Canadian general publishing; his commercial welfare is therefore not identified with that of

14 Canadian writers. Similarly, those Canadian writers who derive any important part of their income from their books (apart of course from text-books) do not earn it in Canada and are not dependent on a Canadian publisher.

Mr. Chairman, that little statement comes from this book "Writing in Canada", and I didn't submit it as an appendix, but I have 15 copies of it, if as general background material it would be useful to you.

THE CHAIRMAN: We have seen it, actually, but I would like you to submit it.

MR. GRAY: I believe this statement is still largely valid though the situation is changing and improving with our increased population, better served by better books.

All this seems to me to underline the importance -- indeed the vital necessity to Canada - of Canadian periodicals. If one magazine can support writing in financial terms to almost the same extent as the whole book trade how would you value that magazine as an element in national strength and development? If it disappeared how seriously would we be hurt or how would we make good its loss? If we had three or four such magazines how much stronger would we be?

15 An example seems to me to go far to answering these questions. When in 1951 Hugh MacLennan joined part-time the staff of McGill University he had faced the fact that he could not live in Canada by writing novels alone. The years that followed were full of struggle, of family illness and heavy expense. He had already decided that he would try to live as a free lance by writing for Canadian magazines. No one can doubt that he might have lived by writing for the American market but he would have had to slant his work and to leave much that he accomplished in writing about Canada undone - he could not thus have done his best work (though he might have lived better). Between 1951 and 1958 - while at intervals he fought to work on his important novel The Watch That Ends The Night - periodicals, chiefly Canadian, supplied two-thirds of his income. Essays contributed to The Montrealer each month ultimately made two valuable books, - Thirty and Three and Scotchman's Return and Other Essays; meanwhile with contributions to Maclean's, Saturday Night and Holiday they paid grocers' bills and hospitals. Scotchman's Return has been very highly praised in the American press and is about to be published in England, but most of the essays it contains could only have appeared in their original form

16 in Canada. This is what our small hard-pressed periodical press can do for one of our writers, and for this country.

There is much more of the same kind that might be said, but all to the same purpose. To us it tends to prove that the strengthening or saving of our periodical press is sufficiently important to warrant radical measures. We shall refer briefly to these in our conclusion, meanwhile we touch on two matters we think worthy of your attention.

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Copyright: This association supports completely the statement on Copyright contained in the submission of the University of Toronto Press to this Commission. It would be pointless to repeat or merely to parody that clear presentation. We would emphasize only two points which are valid for all who undertake original book publication in Canada that "Canadian publication is inferior publication with respect to U.S. Copyright protection" and that while it is so Canadian publishers negotiate for books which might sell in the United States at a grave disadvantage. Ratification by Canada of the Universal Copyright Convention would not eliminate our problems overnight; it would remove one pointless but serious disadvantage.

Postage: We must bring to the Commission's attention the difference in the treatment accorded periodicals and books by the Canadian postal authorities. In the case of newspapers and magazines the postage rate is approximately one-half that of books on a per weight basis.

The United States book publisher enjoys not only a lower domestic rate but is permitted to pack parcels or cartons to a maximum weight of 70 pounds. It is only recently, and

2 then by pressure of international postage, that the Canadian book publisher has been allowed a maximum of 11 pounds.

On December 3rd, 1959, the Book Publishers' Association, La Societe des Editeurs Canadiens du Livre Francais, The Canadian Retail Booksellers Association, The Educational Reference Book Publishers Association, and the Canadian Library Association and La Societe des Libraries Canadiennes du Livre Francais jointly made a submission to the Postmaster General, and were informed by him on the date of August 5th last, that their submission had been considered and in both instances their requests had been refused. The first was a request for a lower postage rate, but the Postmaster General explained that the Post Office was already carrying magazines and newspapers at a rate which was showing a substantial loss to that Department, and that he was not anxious to subsidize further any form of publication. In the second instance, our request was for an increase in the weight of our packages from 11 pounds to at least the equivalent of the parcel post weight of 25 pounds. This only referred to domestic parcels.

If, as seems apparent, the transport of books in Canada must remain more costly and

3 difficult than seems necessary, the hardship is the more aggravating if it is contributed to by the favourable treatment accorded foreign periodicals. We do not know what amount of public money this subsidy represents but we suggest to the Commission that a study of this item might usefully be undertaken.

If the immense operation of moving periodicals through our mails is undertaken at a loss in the name of what are books penalized?

Conclusion: It will be clear to the Commission that our Association believes a healthy periodical press important in the strengthening of a Canadian viewpoint. We know it to be of importance at this stage in our development in the training and the support of writers who alone can give expression to certain aspects of that viewpoint.

We hope that conditions can be established which will strengthen Canadian periodicals without greatly impeding the flow of those from other countries. But we doubt that there could be any serious objection to a tariff which might make imported magazines slightly more expensive in Canada if that was considered necessary to the health of our own.

If our periodicals can be strengthened

4 by some such device as tax advantage then at least the advantage should be limited to those magazines which are owned and controlled in Canada; the object of the operation not being simply more magazines but more and better Canadian expression.

Finally we hope that the Commission will not be too much impressed by the vague appeals of those who call for freedom of the press in the belief that the best will triumph. These exponents of 19th century liberalism seem often in the result to confuse quality with cleverness or vulgarity, and speak from that remote position in which mere feebleness is often mistaken for civilized behaviour. This is not a mistake which the Americans make.

If in the name of freedom we lose our Canadian periodical press we shall be perpetrating the greatest nonsense since the Mack Sennett comedies, but it will not be nearly so funny.

COMMISSIONER JOHNSTON: Mr. Gray, I think it is a very fine brief. I should point out that we have heard a lot of it in other connections, but I think it is useful to us to have it emphasized that there is a connection between the Book Publishers and the Periodical Press.

As a matter of personal curiosity, how did Professor Creighton come out in the end

5 with you people? Are you selling those 15,000 copies?

MR. GRAY: We are. We have reprinted Volume 1. That means we have sold over 12,000 of that.

COMMISSIONER JOHNSTON: That is good sales for Canada.

MR. GRAY: Yes.

COMMISSIONER JOHNSTON: It is, of course, a remarkable book.

MR. GRAY: Yes. I haven't kept the figures, but I think it is something between 12,000 and 13,000 in Canada, and it goes on.

COMMISSIONER JOHNSTON: You don't think Professor Creighton will be able to retire on the proceeds?

MR. GRAY: No. This book was 10 years in the making, and even if he made $10,000 or $12,000 in royalties, this works out at $1,000 a year.

COMMISSIONER JOHNSTON: It isn't possible for a person in Canada to live by writing alone?

MR. GRAY: It is possible to live by writing alone between magazines, C.B.C. It isn't possible to live in Canada by writing books limited to Canada. It is the book that goes

6 across frontiers and has a reasonable success in the States or in England. We have some authors who do live off their books, but most of their sales must come from outside Canada.

THE CHAIRMAN: But if you have a reasonable success in the United States you must have a Canadian publisher, if you sell over 1,500 copies.

MR. GRAY: Yes. Well, a book that is likely to have a fair success would probably be printed in both countries.

THE CHAIRMAN: The author would take that precaution.

Which of you two gentlemen wrote this, if I may ask?

MR. KNIGHT: Mr. Gray did.

THE CHAIRMAN: I wanted to identify you because of that paragraph (c). I must say your reference to Charles Bruce delighted me. I think that book should have the Governor General's prize, and why it didn't I don't understand. But that paragraph lessens the weight of your whole submission for me.

MR. GRAY: I am sorry, I have not read this book. My facts are straight about it not being published outside.

THE CHAIRMAN: You say it is an important book.

7 MR. GRAY: I believed it was, but I have not read it.

THE CHAIRMAN: It has been bought widely, but the appetite for nonsense is inexhaustible apparently. What effect on the sale of books published in Canada has the financing inability of the publisher to advertise the book widely?

MR. GRAY: It doesn't. This is endless in every country, but the general belief of the publisher is that it does not.

THE CHAIRMAN: Why do they advertise so widely in the United States?

MR. GRAY: I think advertising is done more to please authors than to sell books.

THE CHAIRMAN: They must pay enormous sums in the New York Times to advertise.

MR. GRAY: It certainly can help in some circumstances. It can help a successful author for whom the public is already waiting; it can help a book which has the stuff for popularity. To take a book and advertise it, even supposing you have inexhaustible resources, even a book that the public doesn't want, you cannot sell it by advertising.

THE CHAIRMAN: Take the book "Where the Tall Winds Blow". In my judgment this is a good Canadian book. I was disappointed in the

8 reviews in Canada and siappointed in the lack of advertising, but I pick up a publication of John Wilson's Weekly and they give it a page and say it is a great novel.

MR. GRAY: There are various ways of promoting books. We had a case recently of a novel Morely Callaghan's which had a very fine comment from Edmund Wilson in the New Yorker. This was picked up by both evening papers in Toronto and I believe in Montreal; it coincided with an article in Maclean's and I think an article in Weekend. All this came together, and the impact should have been great.

THE CHAIRMAN: Which book are you referring to?

MR. GRAY: Of the "Many Coloured Coat".

THE CHAIRMAN: Take the book you mention here of Charles Bruce, "The Channel Shore". I knew these people and I know that country. This was an authentic piece of writing. I can't find anybody in Canada who has read it.

MR. GRAY: Nevertheless the book has made its way quietly. It ran into a reprint about a year and a half after it was published.

THE CHAIRMAN: What is a good average sale for a good Canadian novel?

9 MR. GRAY: 2,000, 2,500 copies.

THE CHAIRMAN: Does that pay?

MR. GRAY: No.

THE CHAIRMAN: Isn't it rather a fearful indictment of preserving Canadian culture. What are we preserving?

MR. GRAY: Our figures don't compare very badly with comparable sales in the States or in England. But an awful lot of people use libraries and a lot of people do wait until the book comes out in paperback.

THE CHAIRMAN: This is just a recent development, paperback, isn't it? Is that all we have, a readership of 2,000, 2,500?

MR. GRAY: It isn't a great sale.

THE CHAIRMAN: We can't blame the Americans for that. Incidentally, I notice that this conference in Kingston was sponsored by the Canadian Foundation.

COMMISSIONER JOHNSTON: One question the Chairman has forgotten to ask you -- does poetry sell?

MR. GRAY: No, it doesn't.

COMMISSIONER JOHNSTON: Take Dr. Pratt, Senator Pratt's brother. His books are selling steadily.

MR. GRAY: Yes.

THE CHAIRMAN: A book like that has a continuous sale.

MR. GRAY: Yes, 200 or 300 or 400 a year.

THE CHAIRMAN: Why is the postage rate on books in Canada so much higher than on books in the United States?

MR. GRAY: I don't know the origin of this. I don't know whether Mr. Knight does or not.

MR. KNIGHT: The comparative rate, Mr. Chairman, on the first pound is the same in both countries, 9 cents. Their rate is 5 cents per additional pound; our rate is 8 cents.

THE CHAIRMAN: If you sent a parcel of 10 books, that is quite a bit.

MR. KNIGHT: Yes. We are certainly not on a comparable basis. Certainly the American post office has not made money, according to reports, and I think the Canadian post office have kept themselves out of the red figure.

THE CHAIRMAN: If you give lower prices for butter and subsidize this and that under creation, would it give a good circulation for books in Canada?

MR. KNIGHT: We have been asking for it for quite a long time, and we have also been asking

11 for the increased weight. It is ridiculous to pack four or five parcels and pay for the extra weight which could be put in one parcel.

COMMISSIONER JOHNSTON: What about the express companies?

MR. KNIGHT: In many cases they do not serve quite as well as we would like to see, particularly in the educational field, where they are on rural schools, where there is a rural carrier passing the school every day. The school teacher will have to drive 25 miles to get the express parcels and so on.

COMMISSIONER BEAUBIEN: I would like to ask you a few questions about this 1,500 limit number of books which could be imported without losing copyright. Supposing that limit didn't exist, would you consider it of advantage to you to try and get part of the American market?

MR. GRAY: Yes.

COMMISSIONER BEAUBIEN: Do you think you could compete?

MR. GRAY: In certain cases; and this is, in fact, working as far as British publications are concerned.

COMMISSIONER BEAUBIEN: You are printing books for publication in the U.K.?

MR. GRAY: No, I am sorry. The U.K.

12 is finding that the nullifying of the publishing powers means that they are exporting more. Formerly the book was not imported into the United States or the American publisher took it over and made it their. Now, it is part of an edition that he would otherwise have made himself redundant of.

COMMISSIONER BEAUBIEN: Does this same limit exist in respect to a publication of books in the U.K. for distribution in the States?

MR. GRAY: There isn't a manufacturing clause in the British Copyright Act.

COMMISSIONER BEAUBIEN: I am talking about in the United States. Is there a limit of 1,500 books as far as copyright is concerned which is applicable to books published in the U.K. for sale in the United States?

MR. GRAY: Britain is a signatory to the Copyright Convention. Britain, I think, joined in 1957, 1958.

COMMISSIONER BEAUBIEN: Why are we not members?

MR. GRAY: We should become members, and also our association has asked that we should.

COMMISSIONER BEAUBIEN: Why did we not? Any good reasons why we did not?

MR. GRAY: There was no particular

13 point where we decided not to. We just have not got around to it. The manufacturing clause is something that has been there for a long time. The minute the Universal Copyright Convention became a possibility for us, we could have done it at once. I don't think it has done us as much damage as you might suppose. But there have been various cases where books have been made in the United States where they may have been made here and exported. So I think we should do what we ought to do.

THE CHAIRMAN: Mr. Beaubien is going to a Liberal meeting next week to bring the matter up! Thank you both very much.

---EXHIBIT NO. O-120: Bundle of Books.

THE CHAIRMAN: Mr. Douglas Parkinson, please.

SUBMISSION OF THE CANADIAN UNIVERSITY PRESS

EXHIBIT NO. O-121

Appearance: Mr. Douglas Parkinson

THE CHAIRMAN: Would you identify yourself for the record.

MR. PARKINSON: Douglas Parkinson, President of The Canadian University Press.

Before I start, Mr. Chairman, may I apologise for the lateness of the brief. It is only a few days ago that our annual conference ended and I only arrived in Ottawa yesterday.

THE CHAIRMAN: That is all right. Will you proceed.

MR. PARKINSON: The following submission is presented to the Royal Commission on Publications by the Canadian University Press.

The Canadian University Press is an association of Canadian university student newspapers which provides a national press service to member papers and strives to create opportunities for student journalists to improve the standards of university student journalism.

One of our aims is to increase the Canadian students' knowledge of Canada as a whole and, in particular, their knowledge of students and student activities in other areas of the nation and the world.

At present there are twenty-six university student newspapers holding membership in the Canadian University Press. Member papers are to be found in all provinces and major cities of Canada.

Meeting annually in conference, member papers authorize an annual program under the direction of a full-time president and an advisory committee of student editors. A National Secretariat under the direction of the President is maintained in Ottawa.

The Canadian University Press service to member papers includes a news and feature service designed to disseminate news of import and interest to Canadian university students.

In addition to gathering news from the university community, we assist the National Federation of Canadian University Students in maintaining an information centre, with a clipping service and reference library available to student and non-student alike.

The Canadian University Press annually organises and directs competitions for general and editorial excellence among member papers in order to encourage the maintenance of high standards of publication.

The National Secretariat also represents member papers to international student organizations and press agencies, and to national student organizations such as the National Federation of Canadian University Students and the World University Service of Canada.

We believe that the creative and journalistic writing of young Canadians can be given an opportunity for further development. Knowing of the difficulty newspapers are now encountering in attracting university graduates, and knowing of the difficulty in training graduates, we believe that the Canadian University Press can provide a vehicle for the development of literary and journalistic talent, and, as such, is a source from which the many areas of the publications industry may draw its future personnel.

May we pause at this point to ask the commissioners if they would be kind enough to express our gratitude to the Canada Council for its fine work - under trying conditions - in fostering and promoting the development of creative and journalistic writing in Canada. We feel that the Council has played a vital role in the development of Canada's creative talent, and we express every hope that it can continue to do so.

Our national program, coupled with the operation of the student newspapers across Canada, can produce personnel, Canadian in outlook, who have gained experience in accepting the responsibility of supplying news and information to the public; who have gained experience in many phases of editing; and who have gained general understanding of the production of publications.

The Canadian University Press intends to

provide a more effective training program by:

-encouraging high editorial standards among member papers;

- expanding the information and research services, and the news, feature and photo exchanges, both within and without Canada;

- enlarging the present reference library;

- organizing and conducting seminars at regional and national levels on subjects related to various phases of the publication industry;

- increased participation in the activities of the international student organizations;

- increased contact with Canadian newspapers and periodicals in an attempt to receive guidance and assistance in providing a program which will benefit not only the members of the Canadian University Press but eventually the members of the Canadian publications industry, and thus the nation.

In addition the Canadian University Press will co-operate with the National Federation of Canadian University Students in the publication of a proposed university student quarterly to be named The Canadian Student. This magazine - which is still in the planning stage - will provide a further outlet for the talents of young Canadian writers.

Articles, which can not be used by campus newspapers because of content, style or length, can be published in The Canadian Student, which will be a national student forum for the presentation and discussion of local, regional, and national issues.

This expansion program must necessarily proceed at a limited pace until such time as more funds are found. The present revenue is expended almost entirely on administration, thus restricting such projects as seminars to a small area. These seminars are usually arranged by the local member paper. We believe that, when resources become available, the enlarged Canadian University Press program will be of further help in expanding a distinctively Canadian publications industry.

To carry out its present program, the Canadian University Press relies on the payment of a membership fee, based on the enrolment figures at the university or college of the member paper. With the establishment of the CUP National Office, expenses involved in administration have exceeded revenue. The activities of CUP have expanded to such an extent that a National Office is a necessity. Accordingly a fund-raising drive will begin early this year.

It is hoped that the members of the Canadian publications industry will find it possible to give the Canadian University Press both financial and moral support in this program.

The Commission will undoubtedly receive

many suggestions as to possible Governmental measures which could be taken to alleviate the problems facing publishers in Canada. On the other hand, we have noted that few participants seem willing to publically propose forthright large-scale measures. The CUP visualizes the possibility of such measures. These could include such steps as forbidding the entry of foreign periodicals except under license and the banning of newsstand sales of such periodicals. While such large-scale measures are possible it is also true that considerable political controversy would arise and legislative amendments may be required for any regulation of the industry. For this reason and others, the CUP prefers to confine its brief to the specific role and needs of the CUP itself.

We have observed the problems encountered by the Canadian publications industry, and believe that one of the major means to overcome the difficulties lie in the development of the human resources of our country. We feel that the contribution of the Canadian publications industry will be enhanced by the further expansion and development of programs which will assist in the training of the writers who form the basis of this industry.

Support for these programs might be most effectively channelled through presently existing institutions, such as the Canadian University Press. We are a non-profit organization not tied to any political or economic interests. Like other such

institutions we are suited to receive a Federal subsidy adminstered through an appropriate agency. Due to our special role in fostering future journalists, and thereby future journals and national unity, we suggest the Commission recommend a Federal subsidy to the Canadian University Press for the fulfilment of this program.

Respectfully submitted

THE CHAIRMAN: Is the only source of revenue you have your membership fees?

MR. PARKINSON: Yes.

THE CHAIRMAN: Well, how do you maintain your organisation on that basis alone?

MR. PARKINSON: We are budgeting for a deficit this year and we had a deficit last year.

THE CHAIRMAN: And what happens to your deficit?

MR. PARKINSON: We try to overcome it. The president has to take a smaller salary.

THE CHAIRMAN: And you would take a subsidy from the Canada Council?

MR. PARKINSON: Yes, we would appreciate one.

THE CHAIRMAN: You wouldn't feel that it would intefere with your freedom of expression? University papers are noted for their freedom of expression.

MR. PARKINSON: I am well aware of that. We had a five-hour discussion on freedom of

expression at our last conference. The members did not feel that the Canada Council would be limiting in any way if such a grant was forthcoming.

THE CHAIRMAN: Is there a students' paper at every Canadian university?

MR. PARKINSON: A few universities are just starting papers now and they have applied to us for help and membership; we expect approximately five papers who may join the next year.

THE CHAIRMAN: Do some of these papers accept advertising revenue?

MR. PARKINSON: Yes, they all do.

THE CHAIRMAN: But you don't get it in sufficient quantity to...?

MR. PARKINSON: They are more or less budgeted for one year only and carry over nothing. Everything that is left over goes back to the student council; and they must budget for each year.

THE CHAIRMAN: Suppose, let us say, the students' paper at the University of British Columbia had made a good profit. If it made a profit would it share it with the others who might have...?

MR. PARKINSON: It would go back to the student council.

THE CHAIRMAN: The student council is something else?

MR. PARKINSON: It is more or less the publisher. It grants the paper so much money each year and if there is anything left over it goes

back to the student council.

THE CHAIRMAN: Thank you very much.

We will adjourn until 2.30.

--- Luncheon adjournment.

---Upon resuming at 2.30 p.m.

SUBMISSION OF
RADIO COLLEGE OF CANADA

APPEARANCE:

Igor Bossy

---EXHIBIT NO. O-122-Submission of Radio College of Canada.

THE CHAIRMAN: Will you identify yourself for the record, please?

MR. BOSSY: Yes. Mr. Chairman, and Commissioners, my name is Igor Bossy; I am Registrar of the Radio College of Canada. A registrar is what would be termed a business manager or general manager in business.

We have tried to make this brief brief, and with your permission as I read it I would ask your permission to elaborate on certain statements that we make.

Radio College of Canada is a private technical training institute, providing courses to young Canadian men, in the field of electronics.

It has been in operation since 1928 and it is entirely owned and operated by Canadians.

During its 33 years, it has trained over twenty thousand Canadians. It actively participates in industry affairs and has made

2 substantial contributions to the growth of the electronics industry in Canada.

During the war years, it undertook important electronics training for the Commonwealth Air Training Scheme.

Radio operators were trained for all branches of the armed services, the Merchant Navy and personnel of allied countries.

Now, as well as in the past, we are providing training for various Government departments, both federal and provincial.

The Problem: Our financial records are open to examination and it may be readily verified that both our schools in Montreal and Toronto have been unprofitable for several years. We would like to advertise that we are a non-profit making organization, but it wasn't planned that way.

Very few colleges or universities can subsist from tuition fees alone and depend on endowments and other subsidies. Radio College of Canada have no endowments or other subsidies and they have been able to remain in operation only because of the income realized by their home study division.

However, due to the unfair competition from American correspondence schools, enrollments

3 of home study students have been declining for several years.

American schools are capturing an overwhelmingly large number of Canadians with their advertising in American publications.

We consider this unfair because American correspondence schools benefit by the overflow of advertising in U.S. publications and gives the U.S. schools a marketing advantage over similar Canadian schools, who must pay more to reach the same audience. At the same time, there are no comparable Canadian publications.

Exhibit A: This exhibit gives a partial list of magazines in which schools such as ours would advertise, but the advertising rates in these American publications are prohibitive. The same reasoning may apply for any Canadian schools in almost any other field. There is no question that colleges and universities, as well as Government operated trade schools, also lose students to American schools, for the same reasons as mentioned above.

Now, there are some statistics here, gentlemen, and probably you have seen many such statistics before, and the thing to note is that if just this group of publications were taken and we were to advertise in these publications

4 it would cost us $15,000 a month, and the budget last year was $60,000.

U.S. ELECTRONICS PUBLICATIONS:

NAME	CIRCULATION U.S.	CIRCULATION CANADA		ADVERTISING RATE (1 page B & W)
Electronics Illustrated	137,489	8,976	(monthly)	$560.00
Popular Electronics	295,979	16,999	"	$1,640.00
Mechanix Illustrated	1,045,284	73,552	"	$2,500.00
Science & Mechanics	561,823	37,520	"	$1,320.00
Popular Science Monthly	1,261,989	59,716	"	$3,280.00
Electronics World	251,895	14,227	"	$1,495.00
Radio Electronics	163,021	12,607	"	$ 970.00
Popular Mechanics	1,326,042	103,235	"	$3,300.00
TOTAL	5,043,522	326,832		$15,065.00

Cost per M U.S. 2.99

Canadian 46.08

In other words, it costs Canadian schools approximately 15 times more than it costs American schools, when advertising to the Canadian audience, or 1,500 per cent more.

Exhibit B: This exhibit is a sample copy of an American school's advertisement in an American publication and we particularly draw

5 your attention to the note at the foot of the coupon referring to Canadians.

That note states, "Canadian residents address: DeVry Tech. of Canada Limited, 970 Lawrence Avenue West, Toronto, Ontario." Also in the copy there is reference to Canadians. This is purely a sample of an ad. We have an overwhelming amount of advertising by these American schools which doesn't refer to Canadians at all. These ads are just in the magazines, and it is natural that certain Canadians would be attracted by the ads.

Exhibit C· Trade School Acts. Private trade schools in Canada are regulated in most provinces by trade school acts. Here it is shown to you, which is a sample of the Act, and it is in the province of Ontario. I would like you to note particularly paragraph (1) and (2), and so on down the line.

Announcement:

Trade School Advertising:

Certain schools which come under the Ontario Trade Schools Regulation Act appear to be advertising without the necessary approval.

Advertising includes all classes of printed matter, letter-heads, newspaper advertising, brochures, postcards, radio and television

6 presentations, and any other methods used to attract the attention of the public.

NOTE: (1) Advertising matter which states amounts of possible wages or suggested salaries will not be approved.

(2) The use of letters or excerpts from letters will not be approved.

(3) The combining of individually approved advertisements to form a brochure or folder type of advertisement does not necessarily meet the requirements of the Regulations. Such advertisements when combined must be re-submitted, as a unit, for approval.

(4) Approval is cancelled of all previously approved advertising matter which contains any of the above objectionable features.

(5) Approval for advertising is given for the current year only.

You are requested to make sure that all persons, in any way responsible for advertising from your school, read and understand the contents of this announcement and consult the wording of the Regulations.

On page 6 you will see how that affects the private technical schools.

7 Exhibit D: Trade School Acts regulate the operations of private trade schools, including the quality of courses, fees and advertising. Because of this, a legitimate Canadian trade school is often more at a disadvantage, since most of the American schools do not fall under these controls.

Now, if I may be allowed to quote from this booklet, "American degree mills" which has been prepared by the American Council on Education:

> "The American Council on Education has been concerned with the problem of degree-granting diploma mills since 1920.
>
> The lack of provisions for the issuance of institutional charters, and the virtual absence of supervision over the quality of the programmes maintained in existing institutions in most States, have led to the operation of many fraudulent institutions, often known as 'diploma mills', which sell degrees, diplomas, and credentials at a price to unwary or unscrupulous customers. ... In many instances, however, the enterprising managers of such institutions peddle their bogus degrees and credentials

"to persons in foreign countries who are unfamiliar with the fact that the control over higher education in so many of the States in the United States is lax enough to permit such fraudulent operation."

I quote further:

"For the purposes of this study, American degree mills are identified as certain institutions calling themselves colleges or universities which confer 'quick-way' usually mail-order, degrees on payment of a fee. These institutions ... located in the United States offering study by correspondence at home and abroad, which concentrate heavily on foreign nations as prospective students (with which the present study is chiefly concerned)".

That was the chief concern of this study, strange as it may seem:

"American-chartered or sponsored institutions located on foreign soil offering residential and/or correspondence education to foreign nations and to some Americans."

And they give a few samples there.

9 So, I will carry on.

Canadian schools are not allowed to carry advertisements, but American advertisers are allowed to do such things, and I give you here a sample of that. You can see how attractive that can be to any young man.

Exhibit E: Canadian schools are forbidden to use testimonials, whereas American advertisements are rarely without them.

Exhibit F: People in Canadian Government agencies, responsible for implementing the controls of the trade school acts frown and discourage any form of high pressure advertising and certainly will not tolerate misrepresentation on the part of Canadian schools.

On the other hand, American schools are flooding the market with high pressure advertising and in many cases misrepresentation.

This particular photostat that I have included on page 8 is an out and out misrepresentation of a claim. For instance, if you look at that ad you will notice the words, "19 big kits, yours to keep". That would lead any young man who was unitiated in the forms of advertising to believe that he would get 19 big kits and that they would be the models shown in the photograph. Wouldn't you believe that very thing

yourself?

The actual fact is that there are only two kits shown there, and three of those which you see are exactly the same one, only taken from different angles. I had numbered them on the original, but in the photostat the numbers do not appear, but if I may approach you gentlemen I will indicate what I mean. This kit here, this kit here and this kit here are exactly the same kit stripped down to various stages of development. This, this and this are exactly the same. It is a radio receiver, but a young person looking at them believes he is getting all this.

THE CHAIRMAN: Would he send money to get this?

MR. BOSSY: He certainly would.

THE CHAIRMAN: I don't see any reference to Canada, though, in this particular ad. What is this from?

MR. BOSSY: This is the actual ad, it was in the magazine called "Radio Electronics". They don't refer to Canada, as I mentioned before, in most ads; they just advertise and Canadians naturally write.

THE CHAIRMAN: I see.

MR. BOSSY: Of course, if we tried to advertise in that way we would be very severely

dealt with by the people who are connected with the Trade School Act.

Exhibit G: By the Trade School Acts, the young Canadian is limited in his liability, depending on the province. But, with American schools this is not necessarily so, as Exhibit G attests.

I am not talking about these schools, which are legitimate, and there are some good schools, but take a look at Exhibit G there. As I mentioned, Canadians are limited in their liability, but in that particular exhibit you will see in the application form the words, "This contract is not subject to cancellation."

Conclusions: Canadian private trade schools are threatened with extinction, because of the unfair competition resulting from advertising overflows in American publications. This would be a shameful thing, since not only would it actually kill another Canadian business, but also there is a strong need for private trade schools, to fill the educational gap.

I would like to elaborate a bit here. I would like to quote here from "Spotlight on Canadian Education" prepared -- this is a resume of a background to the Canadian Conference on Education in 1958, and they say here:

"... the enrolments between Grades 9 and 13 will rise from the present 471,000 reported above to between 550,000 and 650,000 by 1965, or from 40 to 60 per cent. Some authorities think the number of secondary students will nearly double the present enrolment by 1970."

Then:

"About 40 per cent of the total school population is now reaching Grade II, and a smaller proportion completes high school."

This means, gentlemen, that 70 per cent of our young Canadian people do not finish high school; 70 per cent do not finish high school.

Now, these good Canadian people are subjected to this type of advertising and they enroll in these schools in very large numbers.

I received this in the mail yesterday, it is a thing put out by the Department of Labour by the Honourable Michael Starr, and it talks about training. He speaks about the purpose of the program and he talks about the provincial-federal program for subsidization of training, and the point which I am trying to make here is that you just take the yearly

figures, the number of people dropping out of high schools, they are in the hundreds of thousands, and of those who graduated from high school only 7.2 per cent to 10 per cent go on to university. What about the rest?

THE CHAIRMAN: Where are you getting those figures from which you are quoting?

MR. BOSSY: That figure is from this booklet.

THE CHAIRMAN: What is "Spotlight on Canadian Education"? Who got it out?

MR. BOSSY: Here it is, sir.

THE CHAIRMAN: Well, it was prepared by Mr. Oakley Dalgleish. Is it 70 per cent that never reached high school?

MR. BOSSY: 70 per cent that didn't complete high school, sir.

THE CHAIRMAN: Oh, I thought you said they didn't go to high school.

MR. BOSSY: I am sorry, sir. Those figures mean that an awful lot of young Canadians are bait. They are actually under training and therefore they are very good bait for this type of advertising, and therefore we are filling this educational gap because the Government are not supplying sufficient schools at the moment, although I understand they are budgeting $30 million

to develop their trade school program, but there is nevertheless an educational gap at the moment.

THE CHAIRMAN: Which Government?

MR. BOSSY: The provincial in conjunction with the Federal Government are going to develop the trade schools.

Furthermore, many Canadians are enrolled in American Schools and therefore, are being indoctrinated with American culture and thinking.

Naturally, I can't put my finger on any case and show you proof of this fact, but I believe that any Canadian who has taken a course from an American institution is obviously being indoctrinated with a certain amount of American culture and thinking.

We assume that Canadians trained in American schools tend to emigrate to the United States.

This again I can't prove, but due to the fact they make large salary claims in their advertising, I would tend to believe that a certain number of Canadians feel that because they cannot learn it here in Canada that they will go to the United States and complete their training.

Buying American courses results in the export of Canadian dollars. That is obvious.

Canadian publications do not stand a chance of becoming established. The fact remains that there is not a single Canadian electronics publication being sold to the general public today.

A recent attempt by a Canadian publisher in March, 1960, failed after two issues.

Canadian technical writers are deprived of opportunities to exercise their talents.

And now, these recommendations are a repetition of previous briefs.

We do not by any means advocate the restriction of trade, but we would suggest:

a) That American publications be influenced to produce Canadian issues.

b) That their advertising rates be established on an equitable basis.

c) That editorial contents be written by Canadian writers.

d) That publications be printed in Canada.

e) That steps be taken to encourage the growth of similar Canadian publications.

Gentlemen, what I have said up to this point has to do with the problem as it affects

the radio college particularly, but if you look at the overall picture -- and I am not speaking for all the Canadian correspondence schools, but as a private individual -- I have spoken with other owners of Canadian schools and they support my statements that the Canadian correspondence schools are having a hard time over and above that, and that the Canadian youth is perhaps being cheated in a way.

For instance, this morning before coming down here I went to the newsstand in the Chateau Laurier Hotel, and I just picked up a few magazines off the shelves under the category of such magazines as these, Inside Detective, Front Page Detective, True Detective, Master Detective and Official Detective, and here are some of the courses being offered there; here is an advertisement which says that you earn over $2,000 in 10 weeks, and that is by a place called Universal Schools, and they are offering courses in investigating accidents.

Here is an ad that says, "You are under arrest! There is a thrill in bringing crooks to justice through scientific detection", and this is by the Institute of Applied Science. "Be a fingerprint expert".

I will not read them all, but just a

couple from each one. Here is one about how to draw. Here is one about how to be a music teacher which is by the U.S. School of Music, and that is in this publication. This is "Saga" magazine, and there is this type of magazine for special sports; Field and Stream; Outdoor Life. In the first five pages of this one they carry advertisements from correspondence schools in the States, "We are looking for people who like to draw", and this is by the famous artist's schools. "Is your English holding you back?"; in the back section of that one you probably have another dozen or so more.

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In this publication we have climax, we have cavalier. Some such courses as "How to be a Meat Cutter" is rather interesting. In this section there is "Movie World", "Movieland".

THE CHAIRMAN: We have all these, sir. We have nearly all of those magazines.

MR. BOSSY: What I am trying to indicate is that the correspondence business is a big business.

THE CHAIRMAN: You say your school has been in operation for 33 years?

MR. BOSSY: Yes.

THE CHAIRMAN: And it is a non-profit organization. How do you continue in existence if you make no money?

MR. BOSSY: Well, up until the past few years we have been in existence by our correspondence courses. We have resident students, both day and night, and they have proved to be non-profitable in the last few years, because our volume has been dropping off very badly.

THE CHAIRMAN: Is a school like yours an incorporated organization in Ontario? How does your school exist? Is it a private school?

MR. BOSSY: It is a private technical school; it is a private incorporation. I have here the financial statement for 1959, which shows

a net loss of $2,252.21. The correspondence course business has been dropping off very badly.

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THE CHAIRMAN: Have you any proof that it is because they are taking the correspondence courses of the American schools?

MR. BOSSY: The only proof that we have is assumption on our part, because we cannot advertise in these publications.

THE CHAIRMAN: Do you advertise in Canadian publications?

MR. BOSSY: No, this is American publications. We advertise in Liberty and we advertise in the Canadian issue of Reader's Digest, and other advertising is strictly in the classified sections of newspapers. But the correspondence schools have been flourishing in the States.

THE CHAIRMAN: How many correspondence schools like yours are there in Canada?

MR. BOSSY: There are 54 which are reported.

THE CHAIRMAN: In Canada?

MR. BOSSY: Yes. Probably there are a few local schools in towns which we do not know of. There are 1,200 in the United States. In addition there are 88 testing services and material. In addition there are 144 listed:

"These firms offer self-study material, new or used correspondence courses, specialized textbooks for self-improvement, and may be of particular interest to adult students. This section of our Directory is far from being complete; it is just the list of a few select, and there are 144 listed."

THE CHAIRMAN: How many students would you have last year?

MR. BOSSY: We had a total enrolment last year of 800 students, of which 470 were correspondence.

THE CHAIRMAN: Are your tuition fees high?

MR. BOSSY: Our tuition fees have to be in line pretty well with what the American schools are charging, because the kids do check up on the prices.

THE CHAIRMAN: Would the cost of a correspondence course in an American school be higher than the cost in your school?

MR. BOSSY: They vary. I am not throwing this as an accusation, but some schools break their courses down into sections and offer them at two or three dollars.

THE CHAIRMAN: By word of mouth the

word would get around that these schools were frauds in the United States.

MR. BOSSY: Well, they have been publicized for years; they are flourishing.

THE CHAIRMAN: Thank you very much, sir, for your submission, which will be considered.

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SUBMISSION OF
PATRICK HAILSTONE

---EXHIBIT NO. O-123

APPEARANCE:

Patrick Hailstone

MR. HAILSTONE: Mr. Chairman, gentlemen, my name is Patrick Hailstone. I live in Montreal and am a naturalized Canadian citizen. Eight of the nine years I have lived in North America have been spent in magazine publishing -- seven in Canada and one in New York. I recently resigned a responsible position with one of the leading Canadian publishers to devote my full time to developing what I believe will be a major publishing project.

I am here today because I believe many of the things I have thought and talked about in developing this project over four or five years concern the central problem facing this Commission: how the development of a Canadian identity can be furthered through a genuinely Canadian periodical press.

This country is full of people like me who care for it very much. And we think that the things it has stood for historically are terribly important in the world today. Chief among these I would count absolute and untrammelled freedom for the individual, with all the

responsibilities that freedom demands. Canada, at risk of sounding hackneyed, has always symbolized for me a country where there is much gold to be dug, but where a man's hands are quite likely to bleed getting it. A true capitalist state where limitless opportunity is to be seized by those who are confident and unafraid of hard work.

But the natural reticence of Canadians too often keeps this kind of emotion bottled up. It bursts through in some ways. But the displays tend to be shamefaced and defensive, not proud and virile. It seems a pity to have so much second-rate expression of first-rate sentiments.

This is a time when Canadians badly need to find their true identity, eschew mediocrity and rediscover some of the things that made Canada and North America great. And we need to arrest the stagnation of North America by the same things that for long periods have sterilized Europe.

Pride in Canada is not something simply to be talked of airily over cigars in a panelled board room, nor screamed hysterically in the editorials of local newspapers. It is something to be sweated out in the rich woods and factories and market places. For as long as we keep expressing this pride through empty

7 platitudes it will be as meaningless as our words. This country got to be what it is because of doers. And it will go on to be greater yet through more generations of doers who go out and get on with the job while others sit home and talk about reasons why it can't be done.

This means looking ahead boldly in the tradition of Champlain, of Mackenzie, of Laurier, of C. D. Howe. It certainly leaves no room for any kind of negative thinking.

Negative thinking, or what a friend aptly calls "Maginot-linemanship" can get us absolutely nowhere. And there's been a depressing amount of "Maginotlinemanship" in front of this Commission.

Whether it has been said outright or not, much of the antagonism here has been directed towards Time magazine. Most of it has the hollow ring of jealousy. For I suggest that there are probably few people in this room who are not Time readers. Why? Simply because Time is a good magazine, which people want to read. You may disagree violently as I do, with what it says. But you have to admit it says it superbly well.

So, instead of worrying about being beaten by Time, let's look for some of the real

8 reasons this is happening, and correct them. I suggest they go a bit deeper than the publishing cost advantage of using by-product editorial material. The real way to win back Time readers and advertisers to a Canadian magazine is to give them something they like better than Time.

That's exactly what I and a group of colleagues intend to do. We will publish a wholly Canadian newsmagazine. And we will make a profit doing it. Century in English, Siecle in French, will be published every week in Montreal starting next fall.

I don't want to take up the time of the Commission talking about our plans -- I will be happy to answer any questions you wish to ask me -- for I think they are questions of detail of less concern to you than our main publishing idea:

Century/Siecle will be published to give confident expression to some of the things that are great about Canada, to Canadians, and later, in planned international editions, to people in other parts of the world. Which I respectfully submit, sir.

COMMISSIONER JOHNSTON: That is fine. More power to you if you can compete with Time.

9 There is an expression we picked up around here in this Commission, and that is the matter of equalizing competition. Don't you think you ought to have an equal chance to win?

MR. HAILSTONE: Yes, I do, sir.

COMMISSIONER JOHNSTON: That is all I want. Thank you.

THE CHAIRMAN: Mr. Hailstone, you are the third gentleman to come before us in the last two months and announce that a new Canadian magazine was being started. Are you altogether or do you think -- was it in Montreal that Mrs. Campbell, was it, the lady who said --

MR. HAILSTONE: Mrs. Peterson, sir. She talked about this same magazine. She is not concerned with it; she happens to know about it.

THE CHAIRMAN: There was a gentleman in Toronto was starting something. I hope you all prosper; but I hope that at the same time that you have some money in the bank, or a lot of it.

Thank you very much for your submission, and good luck to you.

MR. HAILSTONE: Thank you, sir.

SUBMISSION OF
CANADIAN WEEKLY NEWSPAPERS ASSOCIATION

---EXHIBIT NO. O-124

APPEARANCES:

Werden Leavens

William Telfer

MR. LEAVENS: I am Werden Leavens, President, Canadian Weekly Newspapers Association. With me is William Telfer, Managing Director of the Association.

We are appreciative of the opportunity of appearing before this Commission, as we are concerned about the fate of the entire publishing industry in Canada.

While it is not believed that the influx of American periodicals has been to any great extent detrimental to the position of the community weekly newspaper in Canada, circulation-wise, we are concerned about the effect on advertising revenue which the Canadian editions of American publications is having on the weekly press. Since advertising provides the main source of revenue, this threat is a grave one.

The importance of the community weekly newspaper to the economic and cultural welfare of Canada might be illustrated by the fact that

11 in 93 of the Federal Electoral Constituencies, no other medium of communication is printed in the areas.

In our own Association we have 100 fewer weekly newspapers than ten years ago: 620-520. During this same period the national advertising percentage of all display advertising in our publications has decreased from 25 per cent to 12 per cent. Local advertising during this period has remained at an even level. As advertising is the life-blood of our papers, we are concerned and would like to see the climate (Advertising-wise) improved on the national advertising front, for our weekly publications.

We think the Government of Canada might well give consideration to the spending of its advertising dollars with our Canadian publications, rather than with the Canadian editions of American magazines.

That is our submission, sir.

COMMISSIONER JOHNSTON: You people who publish weekly papers have space problems. Mr. Leavens, would you repeat those figures about national lineage?

MR. LEAVENS: In our Association we have 100 fewer weekly newspapers than 10 years ago: 620 - 520 today. During this same period

12 the national advertising percentage of all display advertising in our publications has decreased from 25 per cent to 12 per cent; while local advertising has remained at an even level.

COMMISSIONER JOHNSTON: Has there been -- perhaps Mr. Telfer can answer this one -- a decline in national advertising in all Canadian publications or just in yours?

MR. TELFER: I think, of course, the whole advertising scene in Canada has changed since the advent of television and its recent growth to a national medium. I think print media generally have been affected by this threat. The weekly newspaper has suffered quite considerably. Whether it has suffered in proportion to others, I don't know, but we do feel at the present time the weekly press are not receiving the advertising to which we think we are entitled.

THE CHAIRMAN: Isn't 12 per cent of present volume of advertising actually more than 20 per cent was 10 years ago?

MR. TELFER: In proportion, sir, the percentage of advertising appearing in weekly newspapers today -- and I am speaking of the national advertising appearing in weekly newspapers today -- has dropped to 12 per cent from 25 per cent.

13 THE CHAIRMAN: But your 12 per cent of that volume today might be equal to 20 per cent of your volume 10 years ago.

MR. TELFER: Not in the weekly press.

COMMISSIONER JOHNSTON: The way I understood that answer was that it was 12 per cent of your total advertising in weeklies.

MR. TELFER: Proportion.

COMMISSIONER JOHNSTON: And it was 25 per cent.

MR. TELFER: Yes.

COMMISSIONER JOHNSTON: And the rates haven't gone up fast enough to offset the drop; the paper's revenue would be down?

MR. TELFER: Oh, yes, it is down. I think this is borne out by the mortality rate of the newspapers. There have been approximately 100 either amalgamated or ceased publication in the last 10 years. Our association is perhaps fortunate that it is very seldom we lose a member through any other cause. But our records indicate approximately a loss of 100 newspapers in the last 10 years.

THE CHAIRMAN: We had a weekly and a daily, so we understand this. Our daily declined when our weekly went up, and when our daily went up our weekly went down.

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MR. TELFER: Well, I think the statement made by the president, to the effect that the infiltration of American publications has not affected us in terms of circulation, indicates the fact that the weekly is still holding its own in terms of readership, but it is not being used as an advertising medium.

THE CHAIRMAN: Has local radio affected you?

MR. TELFER: Local radio - I wouldn't speak for the radio industry, but I have heard great wails, let us say, from the industry that they claim they have been affected by television, although radio feels that this may be coming back on the basis of local advertising sales.

COMMISSIONER JOHNSTON: Does radio affect adversely the country weekly?

MR. TELFER: Not to any noticeable extent. With the advent of a radio station in the community there has been a trend towards use of the new media because, perhaps, the glamour of radio has its appeal, but over the long haul they say that the situation equalises itself and the two media can live very happily together.

THE CHAIRMAN: What would be your chief competition? What do you consider your main advertising competitor to the weekly press?

MR. TELFER: Well, we don't feel we have one in the true sense. It is a matter of the

selection of media which concerns us.

We are the medium, taken individually, with, perhaps, more circulation, with a proportionately higher rate per readers reached through circulation.

There are other factors which, we feel, enter into the situation, such as readership of the newspaper, which offset to a large degree this situation; but the people responsible for selecting the media tend to accept trends and charts rather than the actual realistic analysis of the newspaper.

COMMISSIONER JOHNSTON: One of your most persistent advertisers was Salada Tea. I think they advertised in something like 800 weeklies and almost daily - every week, or four weeks out of five - throughout the year. What happened to them?

MR. TELFER: Well, the actual record of the events there, of course, was that the account changed hands; another agency gained control of the account. Very shortly thereafter the appropriation which had been spent on daily and weekly newspapers was switched to other media.

COMMISSIONER JOHNSTON: They had, in Toronto at least, a radio programme; I think it was a newscast - Jack Dunnet. That came into existence before they stopped advertising in the weeklies; is that correct?

MR. TELFER: I believe that is so.

COMMISSIONER JOHNSTON: And it would seem as if in this case the agency decided where the advertising

was going to go and, because of the agency, they dropped out of the weekly.

MR. TELFER: I think the function of an advertising agency is frequently to advise the client on selection of media. I think this is part of their job. Whether they were to blame or should take the responsibility for this, I don't know. The change in use of media occurred almost concurrently with the change in the name of the agency.

COMMISSIONER JOHNSTON: Do you think the sale of Salada tea in Bolton dropped when Salada Tea stopped advertising in the weekly?

MR. LEAVENS: I would like to think so, and most likely it did. But it was a small market and maybe they weren't concerned about the Bolton market. Maybe they will become concerned again.

COMMISSIONER JOHNSTON: You haven't any particulars of the trend of sales there in the market through the Salada Tea business?

MR. LEAVENS: No.

COMMISSIONER JOHNSTON: Yesterday Mr. Chalmers, the president of the Maclean-Hunter Publishing Company, was here and I was asking him how he would go about selling advertising, whether he would deal exclusively with the agencies or whether he would go over their heads or under their feet, or what. He had mentioned, and they had mentioned in their brief, that there were places for different types of magazines in Canada. I took one as an

example - a wit-and-humour magazine in Canada. I said that, a young man or a young woman starting such a magazine - what sort of a reception would it get from the advertising agency.

Here is his answer:

"I don't think that the advertising agencies would rush into his office to buy space in it. He would have to go out and do a salesmanship job on it, and not only the space buyers and the account executives, but he would have to do it on the advertising managers and perhaps the general managers of these companies. He would have to be aggressive and get out and hustle."

Similarly, he said later:

"I personally encourage our advertising salesmen to sell at all levels. I think there is a tendency on the part of perhaps the more mature and seasoned salesman on the larger publications, the magazines, to deal with the space buyer and the account executive at the agency and not to go to the client except with the permission of the agency. They are too much afraid of offending the agency..."

Now, you have had quite a lot of experience, Mr. Leavens, in selling advertising not only for your own paper but for large groups of weekly papers. What success have you had with the agencies?

MR. LEAVENS: Well, I haven't had as much success with agencies as I have with the advertisers. We see the advertiser wherever it is possible at all.

There are a few cases where the agencies have complete charge of the choice of media to be used, but not very many; but a few; and we find out, in the cases among the biggest companies, that we are calling on them regularly and we are enjoying quite nice advertising patronage from them.

But I do not really think that the agencies find it expedient to use the weekly because it isn't as remunerative as various other types of media. It means, in dealing with weeklies, that it is much more costly to them and they have to make out many more insertion orders, and there is much more checking and many more cheques to make out in the long run for the same amount of money, and they simply say, "Well, we can't make enough money out of the weeklies."

COMMISSIONER JOHNSTON: If they had the deciding that would be a factor...

MR. LEAVENS: Yes.

COMMISSIONER JOHNSTON: ...in their decision?

MR. LEAVENS: Yes, very definitely a factor.

COMMISSIONER JOHNSTON: Have you experimented at all with, or started trying to establish, an experimental checking and billing organisation?

MR. LEAVENS: Well, we are making a study of such a programme now. In New York they have such systems set up throughout the whole of the United

States, and we are making a study of this now, and hope we are going to be able to take a lot of the "grief" off the shoulders of the agency and make it easier for them to deal with us; and, therefore, we hope to get more business with them.

COMMISSIONER JOHNSTON: That would be doing their work for them - some of it?

MR. LEAVENS: Doing their work for them - yes, exactly.

COMMISSIONER JOHNSTON: You have done some of that already?

MR. LEAVENS: We have done it in Ontario; we carry on such an office in Ontario, and it has worked out quite satisfactorily.

COMMISSIONER JOHNSTON: And in that case is there an agency getting commission?

MR. LEAVENS: No, no agency is getting commission - not always.

COMMISSIONER JOHNSTON: Not always.

THE CHAIRMAN: Do some of your weekly papers have little printing plants?

MR. LEAVENS: They all have printing plants.

THE CHAIRMAN: They all have?

MR. LEAVENS: Yes, practically all.

THE CHAIRMAN: Those would be revenue producers? These printing plants would be revenue producers in most cases?

MR. LEAVENS: Yes, I would say so.

THE CHAIRMAN: Do you think that the mortality rate of weekly newspapers in Canada has been greater, percentage-wise, than the mortality rate of dailies?

MR. LEAVENS: Yes, I would say so.

COMMISSIONER JOHNSTON: There are more dailies now than there were ten years ago.

THE CHAIRMAN: I don't think there is.

When I began working in St. John, in that city then of 55,000 we had the Daily Globe, the Daily Standard, the Daily Telegraph, the Daily Times, the Daily Star and the Daily Sun. Now there is one newspaper; and that one newspaper isn't as good as any of the seven I have mentioned.

In Nova Scotia, in Halifax, there were four daily newspapers; there is just one now; there were two in Sydney, and there is one now.

This is clear across the country. So I wonder if this mortality rate of weeklies isn't a development - that amalgamations didn't take place because capital got together and amalgamated? This is a change in appetite and change of character of newspapers and so on?

Take London, Ontario - two newspapers, now one; Hamilton, two newspapers and now one; even Toronto had six. I think the mortality rate has probably been higher in the daily newspapers.

MR. LEAVENS: I am not suggesting that the problems of the small dailies are any different

than those of the weeklies. We should have been here together, because I think our problems are identical. As a matter of fact, across the border, in making a presentation like this the small dailies and weeklies go together, apparently.

I am not prepared to say this, but I do suggest that, in a good many of our weekly newspapers throughout Canada who also operate a commercial printing plant, why, so far as the newspaper is concerned it is a labour of love in a good many cases.

THE CHAIRMAN: Do you think they are as good as they were?

MR. LEAVENS: The weeklies? I think they are better.

THE CHAIRMAN: I don't know. I have no personal knowledge; I am just asking for your opinion.

COMMISSIONER JOHNSTON: Mr. Leavens will send us a copy of the Bolton Enterprise.

THE CHAIRMAN: Well, I would like to see it.

MR. LEAVENS: We will do that.

THE CHAIRMAN: There used to be the Mount Forest News.

MR. LEAVENS: The Mount Forest Confederate.

THE CHAIRMAN: Then, there was the Kincardine Review.

COMMISSIONER JOHNSTON: They are one-paper towns now. But there are some new dailies and some

of these are weeklies. Barrie, and the three in the Okanagan Valley and so forth; so I think there are actually more dailies.

THE CHAIRMAN: There are about 100 dailies at the moment in Canada.

COMMISSIONER JOHNSTON: There is what is called the class 'A' weekly. This comprises how many papers?

MR. LEAVENS: This comprises some 60 daily and weekly papers.

COMMISSIONER JOHNSTON: Have they a central billing office in effect?

MR. LEAVENS: No; it is merely a publisher-represented organisation.

COMMISSIONER JOHNSTON: He sells a list?

MR. LEAVENS: Yes.

COMMISSIONER JOHNSTON: What about, say, the insertion orders? Does he do that?

MR. LEAVENS: No.

COMMISSIONER JOHNSTON: It is simply, then, that those 60 papers have combined to have a salesman?

MR. LEAVENS: Have a number of salesmen.

COMMISSIONER JOHNSTON: A number?

MR. LEAVENS: Well, they have one in Montreal and one in Toronto and one in Vancouver, I think.

COMMISSIONER JOHNSTON: Are you of the opinion that if these Canadian editions of Time and

Reader's Digest were not in existence your group or organisation would have a better chance of picking up Canadian advertising?

MR. LEAVENS: Yes, I do.

COMMISSIONER JOHNSTON: That isn't a thought I planted in your mind? You had it before you came into this room?

MR. LEAVENS: Yes; that is the reason we came down here.

THE CHAIRMAN: I am interested in this, really. If you looked at last week's issue of Time, just what advertising did it contain that would find its way into the columns of weekly newspapers in Ontario?

MR. LEAVENS: Well, I didn't see the particular edition referred to.

THE CHAIRMAN: Well, cast your mind back to the one for Christmas.

MR. LEAVENS: I will think of one particular instance where one of the big steel companies in this country were advertising in Time and we went and showed them where they could use some 200 Ontario papers and have the same amount of space; and they saw the point and dropped out of Time into a number of our publications.

COMMISSIONER BEAUBIEN: What were they advertising? Was is steel?

MR. LEAVENS: They were advertising steel.

COMMISSIONER BEAUBIEN: Was it institutional

or product?

MR. LEAVENS: Institutional type.

THE CHAIRMAN: Do you think the Aluminum Company of Canada could do this sort of advertising?

MR. LEAVENS: I think they should. In fact, they did at one time and then dropped out.

THE CHAIRMAN: Yes.

MR. LEAVENS: They dropped out and went into the publications which we have been referring to. You have put your finger on one of the accounts we lost.

THE CHAIRMAN: The Bank of Montreal?

MR. LEAVENS: The banks are very good.

THE CHAIRMAN: They advertise in weeklies?

MR. LEAVENS: Yes; we have advertising support from all the banks in Canada.

COMMISSIONER JOHNSTON: What about the insurance companies? That is the type that goes into the weeklies, I suppose?

MR. LEAVENS: Yes.

THE CHAIRMAN: Does the Government of Canada through its various Crown companies use the weekly?

MR. LEAVENS: It has at various times, although in the last few years there haven't been so many ads appearing.

THE CHAIRMAN: What would be your contact there? How do you go after that kind of advertising? Do you have to come down to Ottawa and try to see

about it?

MR. LEAVENS: Yes, we send our men down to Ottawa; and at one time we had quite a good policy established with the Dominion Government, and that was that they used practically the same size of space in the weeklies as they used in the dailies. In the meantime, these other papers like Reader's Digest came in and grabbed off a lot of it and there weren't so many to go around; so I really think we are the people who lost there.

THE CHAIRMAN: You have a real case against advertising appearing in these two magazines?

MR. LEAVENS: Yes, we feel we have.

COMMISSIONER JOHNSTON: Mr. Leavens, or Mr. Telfer, during the war, casting my mind back - and I can't remember exactly the procedure - the Government advertised during the war for Government Bonds and War Savings Certificates and that sort of thing. How was that arranged?

MR. TELFLR. It was arranged largely through our office. Mr. Charges was the managing director, and Mr. George James was the chairman of the advertising committee, and they came down to Ottawa and saw that the weeklies got the treatment I was referring to. They got the same size of ads as for the dailies; and if we hadn't got them at that time unquestionably most of the weeklies would have gone out of business, because that carried the weeklies through these very desperate years.

COMMISSIONER JOHNSTON: Well, now, with whom did you deal down here - an agency, a committee, or a Government official?

MR. TELFER: A Government official.

COMMISSIONER JOHNSTON: There was a committee as an agency, was there?

MR. TELFER: Yes.

COMMISSIONER JOHNSTON: Did you remember anything about that?

MR. TELFER: I remember about it; but I think they had media people on that committee also.

COMMISSIONER BEAUBIEN: One question: Is the situation in the United States comparable to the situation of the weekly periodicals in Canada? Do they run parallel?

MR. LEAVENS: Pretty well, yes.

COMMISSIONER BEAUBIEN: They have lost in advertising revenue in the last few years?

MR. LEAVENS: They are starting to make a comeback.

COMMISSIONER BEAUBIEN: In the States?

MR. LEAVENS: Yes.

COMMISSIONER BEAUBIEN: Are you making a comparable comeback, or...?

MR. LEAVENS: We hope to. I wouldn't say that we have made the progress they have.

COMMISSIONER BEAUBIEN: Would you say the two situations run parallel?

MR. LEAVENS: Well, things are usually two

or three years ahead of us over there - in advertising, at least.

We feel that a good many of the big companies in the States have found that the bloom is off television advertising, and there are some, like myself, who are finding out that most people have to see things in print to believe them.

One of the current examples is the Shell Oil Company who have gone exclusively into dailies and weeklies in the States and have gone right out of all the media...

THE CHAIRMAN: They are coming in this year.

MR. LEAVENS: ...and they are the second biggest budget in the United States. So we are hopeful that there may be some comeback. Certainly there is room for it.

COMMISSIONER JOHNSTON: Have you people protested to the Government about advertising in U.S. magazines for recruits for the Canadian Army?

MR. LEAVENS: I don't believe we have.

You will have to answer that, Bill.

MR. TELFER: No.

COMMISSIONER JOHNSTON: At first I was told that we didn't need any more recruits and then they advertised in Reader's Digest for them at a very high rate.

Now, the mill line rate: Are you of the opinion that it has been bad for weekly papers?

MR. LEAVENS: Yes; it is pretty hard to prove the usefulness of the mill line rate.

COMMISSIONER JOHNSTON: But a good many of the weeklies have gone to the Audit Bureau of Circulation?

MR. LEAVENS: Yes.

COMMISSIONER JOHNSTON: That is, they have their circulation audited the same as the Ottawa Journal and less important dailies. But isn't the use of the A.B.C. a denial of your claim that the readership of the weekly can't be gauged exactly by the number of copies you distribute yourselves?

MR. LEAVENS: It could be, yes. Personally, it has been my experience in soliciting advertising that so far as the small weekly newspapers of Canada are concerned, which are, I believe, the backbone of our Association papers - those of 1,200 circulation and under - I never hear any question raised of the bona fide quality of the circulation, whether it is bad or not; it is generally accepted.

THE CHAIRMAN: Would you say - I am sure you would say, but I would like to hear it confirmed - that the weekly newspaper is almost the very heart of the social life of the small community?

MR. LEAVENS: Indeed it is, sir.

THE CHAIRMAN: Almost as much as the school and the church?

MR. LEAVENS: That is right; it is an institution.

THE CHAIRMAN: It is something that the daily paper just can't do, nor even the radio.

MR. LEAVENS: Well, I wouldn't like to speak for the daily newspapers; some of the daily newspapers...

THE CHAIRMAN: But you do think it is very vital to our rural civilisation?

MR. LEAVENS: Yes, I think so.

THE CHAIRMAN: And you feel this institution is being endangered under existing conditions?

MR. LEAVENS: Yes, I think so.

THE CHAIRMAN: Well, I think that serves our purpose; if something in Canada is pretty vital to our rural civilisation, the social life of our rural communities, and a condition exists which is endangering it, that is something it seems to me for the Canadian people to take a good hard look at.

MR. LEAVENS: Yes.

THE CHAIRMAN: Many of the people in the country come to the cities, but to see those who

remain on the farms or in the small communities, in the villages or towns, being deprived of what a weekly newspaper can do for them, would seem to me to be a very deplorable thing.

COMMISSIONER JOHNSTON: Isn't it a fact that a portion of your circulation is in the city?

MR. LEAVENS: That is right, a portion is.

COMMISSIONER JOHNSTON: Former residents of the area who move to the city and who have relatives or friends remaining in the small town, so that there is a readership of the small weekly papers in the big cities?

MR. LEAVENS: There is.

THE CHAIRMAN: Surely that is a good thing?

MR. LEAVENS: That is very good.

THE CHAIRMAN: In order to keep your old home links you have to have some cement in a nation, after all, and not be all cave-dwellers in the city.

COMMISSIONER JOHNSTON: Can you think of anything else to tell us, good, bad or indifferent?

MR. LEAVENS: I don't think I can, but my friend may be able to say something.

MR. TELFER: I don't think I have anything to say to add to that, Mr. Chairman. I think the question has been pretty well covered.

THE CHAIRMAN: Then, we will end on a solemn note.

COMMISSIONER JOHNSTON: You people have to pay more for your newsprint than the city paper pays?

MR. LEAVENS: That is right.

COMMISSIONER JOHNSTON: That is because it is delivered in sheets rather than in rolls?

MR. LEAVENS: Yes.

COMMISSIONER JOHNSTON: I think that is all.

THE CHAIRMAN: Thank you very much; it has been very interesting to have you and very helpful.

Gentlemen, we will adjourn now until Tuesday, January 17th, 1961.

--- Adjourned at 3.30 p.m.

ROYAL COMMISSION ON

Publications

HEARINGS

HELD AT

OTTAWA

VOLUME No.:

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ROYAL COMMISSION ON PUBLICATIONS

Commencement of rebuttal and argument before the Royal Commission on Publications, held in the Parliament Buildings, Ottawa, Ontario, at 10.30 a.m., Tuesday, January 17th, 1961 et seq.

COMMISSION:

M. GRATTAN O'LEARY	Chairman
J. GEORGE JOHNSTON	Member
CLAUDE P. BEAUBIEN	Member

P. MICHAEL PITFIELD	Secretary
G. H. QUINN	Administrative Officer

THE SECRETARY: Would you identify yourselves for the record, please?

MR. RYAN: Mr. Chairman, my name is Claude Ryan. I am president of the Canadian Institute of Adult Education.

I should like to introduce my associates who have come here with me this morning.

Miss Madeleine Joubert, General Secretary of the Institute. Mr. Fernand Jolicoeur, Director of the Education Services of the Confederation of National Trade Unions; Mr. Roland Porenteau, Professor of Economics of the Montreal School of Higher Commercial Studies. Mr. Porenteau is National Director of French Distribution of the National Film Board.

THE CHAIRMAN: Mr. Ryan, we have read your submission carefully. Would it be all right with you if we admitted it to the record as read? This will not mean it will not get just as much consideration as if you had presented it.

Commissioner Beaubien will ask you some questions in French. Is that satisfactory, sir?

MR. RYAN: Yes.

---EXHIBIT NO. O-125-61: Institut Canadien d'Education des Adultes.

[illegible]

SUBMISSION OF THE CANADIAN INSTITUTE OF ADULT EDUCATION

APPEARANCES:

Mr. C. Ryan	President
Miss Madeleine Joubert	General Secretary
Mr. F. Jolicoeur	Associate
Mr. Roland Porenteau	Associate

(In French)

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INSTITUT CANADIEN D'EDUCATION DES ADULTES

M E M O I R E

à la

COMMISSION ROYALE D'ENQUÊTE SUR LES PUBLICATIONS

3425 rue St-Denis
Montréal

le 17 janvier 1961.

INTRODUCTION

1. Les dirigeants de l'Institut Canadien d'Education des Adultes ont appris avec beaucoup d'intérêt la nouvelle de la formation par le Gouvernement fédéral d'une Commission Royale d'Enquête sur les publications.

2. Les dirigeants de l'I.C.E.A. ont particulièrement apprécié l'occasion qui leur a été fournie par le Secrétariat de la Commission Royale de présenter un Mémoire aux membres de la Commission et d'exposer à ces derniers les vues des responsables du mouvement de l'éducation des adultes au Canada de langue française.

3. Nous avons suivi avec beaucoup d'intérêt le déroulement du travail de la Commission au cours des dernières semaines. Nous nous sommes procurés des copies de la plupart des Mémoires qui ont été présentés à la Commission par des organismes de toutes les parties du pays.

4. Nous avons l'honneur d'ajouter nos opinions et recommandations à celles dont a déjà été saisie la Commission.

5. Outre la présente introduction, le Mémoire de l'Institut Canadien d'Education des Adultes comprend les quatre parties suivantes:

A. L'institut Canadien d'Education des Adultes.

B. L'I.C.E.A. devant le mandat de la Commission Royale.

C. Le problème des périodiques au Canada.

D. Recommandations.

L'INSTITUT CANADIEN D'EDUCATION DES ADULTES

1. Depuis plusieurs années, il existe au Canada deux organismes nationaux chargés de la coordination et de la promotion de l'éducation des adultes au Canada. Le plus ancien de ces organismes est la Canadian Association for Adult Education. Fondée en 1934, la C.A.A.E., qui a son siège à Toronto, coordonne le travail d'éducation des adultes pour le secteur de langue anglaise du pays. Parallèle à la C.A.A.E., l'Institut Canadien d'Education des Adultes, incorporé en vertu d'une charte fédérale datant du 7 août 1956, mais dont la fondation sur un plan autonome remonte à septembre 1946, accomplit un travail similaire dans le secteur de langue française du Canada.

2. L'Institut Canadien d'Education des Adultes est une fédération nationale d'organismes, d'associations et d'individus intéressés à l'éducation des adultes dans le milieu canadien d'expression française. (Cf. Annexe à ce Mémoire pour liste des membres de l'Institut Canadien d'Education des Adultes).

3. Voici les buts de l'I.C.E.A.:

1- Favoriser les échanges entre les responsables de l'éducation des adultes.

2- Représenter ses membres dans le mouvement de l'éducation des adultes, tant sur le plan national que sur le plan international.

3- Assurer la collaboration entre les organismes de langue française et les organismes de langue anglaise dans le domaine de l'éducation des adultes.

4- Fournir un centre de recherche et d'information dans le domaine de l'éducation des adultes au service des organismes et des individus.

5- Susciter et appuyer toute activité d'éducation auprès des adultes.

6- Aider à la préparation et à la formation d'éducateurs d'adultes.

7- Promouvoir l'éducation des adultes sous toutes ses formes au Canada.

4. L'Institut Canadien d'Education des Adultes, étant une fédération, n'organise lui-même aucun cours ou initiative directe à l'intention des adultes. Tous les efforts de l'I.C.E.A. tendent plutôt à améliorer la qualité des nombreux services qui existent déjà. Les principales méthodes utilisées par l'I.C.E.A. sont:

1- Des rencontres de responsables de l'éducation des adultes et de spécialistes autour d'un problème défini, permettant un échange d'expériences et d'informations.

2- La formation de comités représentatifs des principaux milieux pour la réalisation et l'évaluation des programmes d'éducation destinés au public.

3- La formation de comités spécialisés pour la recherche dans des domaines spécifiques: vg. radio, télévision, films.

4- Renseignements et documentation mis à la portée des organismes membres par le Secrétariat de l'I.C.E.A.

5. Depuis sa fondation en 1946, l'I.C.E.A. a réalisé plusieurs enquêtes d'envergure sur divers aspects du problème de l'éducation des adultes dans le Canada de langue française. L'I.C.E.A. s'est intéressé de manière active au rôle éducatif de la radio et de la télévision. L'I.C.E.A. a participé en particulier, pendant plusieurs années, à la réalisation d'émissions radiophoniques télévisées comme "Les Idées en Marche", "Le choc des Idées", "Le Ciné-club à la télévision". L'I.C.E.A. a publié plusieurs volumes et brochures sur divers aspects de l'éducation des adultes.

6. L'I.C.E.A. s'est également appliqué à suivre de près l'action des autorités gouvernementales, provinciales, fédérales et même des organismes internationaux comme l'Unesco dans le domaine de l'éducation des adultes.

L'I.C.E.A. ET LE MANDAT DE LA COMMISSION ROYALE

7. L'I.C.E.A. s'est intéressé depuis plusieurs années aux problèmes soulevés par les aspects culturels et éducatifs de la radio, du film et de la télévision. Depuis plusieurs années, les dirigeants de l'I.C.E.A. voulaient aussi s'intéresser de plus près à l'aspect culturel et éducatif de la presse. Seuls le personnel limité et les ressources financières très faibles dont disposait l'I.C.E.A. ont empêché la réalisation de ce désir. Le travail entrepris par la Commission Royale d'Enquête sur les publications nous fournit cependant une excellente occasion de faire un premier travail dans ce secteur vital pour l'avenir de la culture au Canada.

8. Nous n'avons pas besoin d'insister sur la relation étroite que nous percevons entre l'industrie de la presse périodique et l'évolution de la culture dans notre pays. Pour la grande majorité des adultes canadiens, la lecture des journaux et périodiques, l'écoute des programmes de radio et de télévision, le visionnement de films, demeurent les principales, sinon les seules expériences éducatives de leur vie, une fois qu'ils sont sortis de l'école. En ce sens, on peut réellement dire que la presse et les autres techniques de diffusion massive sont la grande école de formation de la culture populaire au XXe siècle. C'est pourquoi, il est très important de suivre de près la marche et les problèmes de ces organes de communication.

9. Avant d'aborder les problèmes qui constituent la raison d'être de votre Commission, nous voudrions, Monsieur le Président, commencer par préciser certaines limites à l'intérieur desquelles nous aimerions situer notre intervention:

a) Nous réalisons que dans le problème confié à votre Commission, il y a à la fois un aspect économique et un aspect culturel. Nous réalisons que dans la majorité des cas, ces deux aspects sont étroitement liés et pour ainsi dire indissolubles. Nous ne dédaignons aucunement l'aspect économique, mais étant donné notre manque d'expérience directe dans le domaine de la presse périodique, nous serons forcés de nous limiter, pour cet aspect du problème, à citer des chiffres et statistiques qui ont déjà été soumis à l'attention de votre Commission par d'autres organismes qui vous ont présenté des mémoires. Vous ne serez pas surpris, étant donné le champ d'intérêt particulier de notre organisme, que nous nous intéressions de manière particulière à l'aspect culturel du problème de la presse périodique au Canada.

b) Etant donnés la nature et les buts de l'I.C.E.A., nous parlons surtout en ce moment au nom des organismes canadiens de langue française qui sont engagés dans l'éducation des adultes ou intéressés à ce domaine d'activité. Mais nous ne voulons en aucune manière limiter notre intérêt et notre point de vue aux seules publications de langue française qui peuvent entrer dans le champ

d'étude de votre Commission. La commune association de deux groupes ethniques principaux dans le développement de notre pays nous suggère de nous intéresser également au sort des publications canadiennes en langue anglaise, de même qu'à l'entrée dans notre pays des publications en provenance d'autres pays, en particulier des Etats-Unis. Nous subissons au Canada français les effets ou les contre-coups de l'influence de notre puissant voisin sur l'évolution et la vie de la culture canadienne. Un grand nombre de Canadiens de langue française aiment lire ou se procurer des publications en provenance du Canada anglais ou des Etats-Unis. C'est pourquoi cet aspect du problème nous intéressera à maintes reprises au cours du présent exposé.

c) N'étant pas engagés directement dans le domaine de la presse périodique, nous n'avons aucunement la prétention de soumettre à l'attention de votre Commission Royale des exposés et avis techniques de première main sur les problèmes que vous avez à étudier. Mais nous sommes intéressés au plus haut point à la répercussion spirituelle et culturelle de la presse périodique sur la vie et la mentalité du peuple Canadien; nous voulons nous adresser à votre Commission en tant qu'éducateurs et responsables sociaux soucieux de l'avenir culturel de leur pays.

d) Nous sommes surtout intéressés à la presse périodique de caractère général et aux publications poursuivant des buts culturels. Nous savons qu'il

existe au Canada plusieurs centaines de publications techniques et spécialisées s'adressant à des hommes engagés dans les disciplines les plus diverses; nous réalisons l'importance de ces dernières publications, mais nous avouons n'être pas préparés à formuler à leur sujet des opinions ou des recommandations précises.

10. Nous énoncerons maintenant quelques principes qui devraient guider, nous semble-t-il, la politique culturelle du gouvernement.

a) Nous croyons que sans violer le principe fondamental de la liberté de presse, le Gouvernement canadien peut envisager de manière générale dans le domaine de la presse périodique deux ordres de mesures qui sont tout à fait justifiables:

i) Le Gouvernement peut décider de réglementer certains aspects strictement commerciaux ou économiques du fonctionnement des organes de presse périodiques;

ii) Le Gouvernement canadien peut décider d'aider, préférablement par des moyens indirects, certaines publications canadiennes poursuivant des objectifs nettement culturels jugés indispensables au progrès de la culture dans notre pays.

b) Nous favorisons en principe, dans un domaine délicat comme celui qui a été confié à votre Commission, une politique positive et constructive plutôt qu'une politique négative à base de restrictions ou d'interdictions.

LE PROBLÈME DE LA PRESSE PERIODIQUE AU CANADA

11. 1- L'existence d'un réel problème de la presse périodique au Canada est attestée par une simple visite à un kiosque de journaux, en quelque endroit que ce soit, au Canada. Il suffit de se procurer une copie de chacune des publications mises en vente par n'importe lequel kiosque le moindrement important pour constater les deux phénomènes suivants:

a) il existe une écrasante prédominance des publications d'origine américaine sur les publications d'origine proprement canadienne dans l'ensemble des publications que les kiosques à journaux de notre pays offrent au public lecteur canadien. Des Mémoires présentés à votre Commission ont confirmé que dans les Maritimes, dans le Québec, dans l'Ontario et dans les provinces de l'Ouest, les magazines d'origine américaine sont au moins dix fois plus nombreux que les magazines d'origine canadienne;

b) en particulier dans la province de Québec, on constate également une tendance croissante des magazines d'origine française à occuper une place de plus en plus large sur les marché des périodiques. L'association des maîtres imprimeurs du Québec mentionnait dans le Mémoire qu'elle a soumis à votre Commission que dans

un restaurant où l'un de ses représentants s'était procuré un exemplaire de chacune de ces publications périodiques disponibles, il avait trouvé au moins dix (10) revues européennes en langue française contre une (1) revue canadienne en langue française.

12. 2- L'existence de ce problème est également confirmée par l'étude des statistiques officielles concernant la circulation des périodiques au Canada. L'association des distributeurs de magazines du Canada vous a communiqué dans son Mémoire que les revenus qu'elle tire de la distribution de magazines américains au Canada sont au moins sept fois plus élevés que les revenus qu'elle tire de la distribution de magazines canadiens.

13. 3- Le problème évoqué dans les deux paragraphes précédents n'est pas unique ni exclusif au Canada. En effet, des pays comme la Suisse et la Belgique, par exemple, subissent également une très forte pénétration culturelle de la part d'un pays comme la France. Cependant, le problème que nous avons à résoudre au Canada est aggravé par des circonstances spéciales qui exigent une attention immédiate:

a) il semble en effet établi que certaines publications étrangères en provenance des Etats-Unis jouissent de nets avantages sur les publications canadiennes au plan de la concurrence économique;

b) Le pourcentage de stabilité des publications périodiques canadiennes d'intérêt général a été très faible depuis une trentaine d'années; de plus, le nombre des nouveaux magazines mis en circulation a tendu à diminuer plutôt qu'à augmenter. Ce problème paraît lié au fait que les publications canadiennes n'ont bénéficié jusqu'à date d'aucune politique culturelle cohérente de la part du Gouvernement.

14. A la lumière de ces constatations générales, nous voudrions formuler quelques recommandations à l'attention de la Commission Royale.

RECOMMANDATIONS

15. Le présent chapitre se divise en trois parties.

A.- Recommandations concernant les publications canadiennes.

B.- Recommandations concernant l'entrée au Canada de publications étrangères.

C.- Recommandations de portée générale.

- - - - -

16. A- Recommandations concernant les publications canadiennes

Nous croyons qu'il y a lieu de distinguer ici entre les publications de caractère nettement culturel et les publications de caractère commercial. Les unes et les autres doivent faire l'objet de recommandations distinctes.

17. 1- Les publications de caractère culturel

Nous croyons qu'un certain nombre de publications poursuivant d'abord des objectifs intellectuels, sociaux, artistiques, culturels, devraient, moyennant une recommandation par le Conseil des Arts du Canada ou un organisme similaire, jouir d'un statut spécial dans un pays comme le nôtre dont la culture est en train de se faire et où tous les organismes servant à construire et à exprimer cette culture méritent d'être traités avec une attention particulière. Voici les formes que pourrait revêtir à notre avis l'aide du Gouvernement en faveur de telles publications.

a) Nous croyons que ces publications à caractère culturel devraient avoir la priorité dans l'octroi de contrats de publicité de la part des ministères et organismes du Gouvernement fédéral. Nous avons pu constater dans la province de Québec les bienfaisants effets pour un bon nombre de publications à caractère culturel d'une politique ouverte du Gouvernement provincial à cet égard. Nous croyons que si les ministères, organismes et agences du Gouvernement fédéral pratiquaient une politique plus large et plus ouverte de ce côté, cela pourrait constituer une forme précieuse d'assistance indirecte pour les publications à caractère culturel.

b) Nous croyons que le Gouvernement canadien a peu fait jusqu'à date pour encourager la diffusion à l'extérieur du pays, surtout par le canal des ambassades et postes diplomatiques à l'étranger, des publications à caractère culturel de notre pays. Il nous semble que le Gouvernement canadien devrait pouvoir acheter quelques centaines de copies de chaque numéro des principaux organes d'expression culturelle périodiques qui existent dans notre pays. Les publications susceptibles de bénéficier ainsi de commandes gouvernementales pour diffusion à l'étranger pourraient être inscrites sur une liste recommandée par le Conseil des Arts du Canada. Nous avons pu constater au cours de voyages ou de séjours à l'étranger que la majorité des publications culturelles de notre pays sont très peu connues dans les autres pays et continents.

c) Les publications à caractère culturel devraient pouvoir bénéficier de tarifs postaux réduits. Certains sont allés jusqu'à recommander que ces publications devraient être exemptées de toute charge postale. Nous nous contenterions d'insister pour qu'elles bénéficient d'une interprétation plus libérale des règlements concernant les tarifs postaux de deuxième classe.

d) Nous croyons que la Commission Royale devrait recommander que le Conseil des Arts soit en mesure d'accorder des octrois spéciaux à des petites revues de caractère hautement et exclusivement culturel; par exemple des revues consacrées aux Arts et à la poésie. Des revues d'opinions et d'idées ne devraient cependant pas être incluses dans cette catégorie.

e) Dans la même ligne d'idée, nous croyons que la Commission Royale devrait recommander que des octrois spéciaux du Gouvernement ou du Conseil des Arts, ou d'une autre agence analogue soient versés aux publications suivantes:

i) les publications de caractère scientifique mises à jour par les universités et les associations à but scientifique ou professionnel.

ii) les publications ayant pour but le développement de meilleures relations entre les différents groupes culturels qui composent la population canadienne.

f) Nous croyons qu'un organisme comme le Conseil des Arts devrait, moyennant une aide accrue de la part du Gouvernement fédéral, instituer chaque année des prix en argent pour les meilleurs articles parus dans des revues canadiennes de caractère culturel. De tels prix pourraient être accordés chaque année, moyennant l'établissement de certaines catégories permettant une classification réaliste des différents types de publications. De tels prix seraient de nature à encourager la production d'articles proprement canadiens.

18. 2-Les publications de caractère commercial

Nous nous intéressons spécialement, comme nous l'avons dit dans un chapitre antérieur, au sort des publications périodiques de caractère général qu'on appelle en langue anglaise des "Consumer magazines". Nous sommes à la fois étonnés et inquiets de constater le nombre très peu élevé des publications de ce genre au Canada. Les statistiques et études soumises à l'attention de votre Commission ont montré les grandes difficultés que doivent traverser de telles publications pour survivre à la forte concurrence qui leur vient des publications étrangères. En principe, nous croyons que ces publications, étant donné leur caractère premièrement commercial, devraient pouvoir vivre par elles-mêmes à l'intérieur d'un régime normal de concurrence. Cependant, il semble qu'elles soient actuellement soumises à des conditions de concurrence qui, sans être peut-être déloyales en elles-mêmes, sont quand même de nature à mettre les publications canadiennes dans une position singulièrement désavantageuse.

C'est pourquoi, nous croyons devoir soumettre à ce sujet les propositions suivantes.

a) Nous croyons qu'il faut s'objecter en principe à ce que des octrois directs de la part du Gouvernement soient versés à des publications qui relèvent du domaine de l'entreprise privée. Nous croyons qu'il ne faut pas déroger à ce principe, car ce serait poser un précédent dangereux qui conduirait tôt ou tard à la confusion ou au favoritisme.

b) Nous n'avons cependant pas d'objection, si l'étude de la Commission prouve que la situation de ces publications sur le marché de la concurrence est véritablement désavantageuse, à ce que des taux spéciaux d'amortissement, certains avantages postaux et même certains allègements d'impôt soient consentis aux périodiques canadiens de caractère général. Il faudrait, si de tels avantages doivent être accordés, que l'on voie à les étendre autant à des publications de langue française qu'à des publications de langue anglaise.

c) Sans avoir fait une étude particulière de ce problème, nous avons été frappés d'entendre dire que les services de distribution des périodiques sont dans plusieurs endroits contrôlés par des capitaux américains ou encore par des gens qui, de leur propre aveu, ne recherchent dans cette activité qu'un profit matériel, lequel est souvent plus élevé dans le cas des pu-

blications les moins valables. Nous croyons que les propriétaires de publications canadiennes auraient avantage à se grouper pour mettre sur pied, d'un bout à l'autre du pays, un service coopératif de distribution qui assurerait dans les kiosques canadiens une place de choix aux publications canadiennes.

d) Nous suggérons que les éditeurs groupés en association établissent un code d'éthique. Nous avons noté que des éditeurs publient des périodiques qui n'ont d'autres buts que l'exploitation des sens et du crime. A ce sujet, nous formulons deux suggestions:

i) que des mesures soient prises pour assurer l'application des récents amendements au code criminel;

ii) suivant en cela la recommandation de la revue de l'Eglise anglicane, nous suggérons que la Commission recommande l'application d'un code d'éthique.

19. B- <u>Entrée au Canada de publications étrangères</u>

1- Les publications étrangères de caractère culturel- recommandées comme telles par le Conseil des Arts du Canada ou un organisme similaire- devraient jouir d'une complète liberté d'entrée au Canada, quel que soit le pays d'où elles émanent. Aucune sorte de barrière ou d'obstacles tarifaires ne devraient être élevés contre leur entrée dans notre pays. Ceci devrait valoir pour les publications produites dans n'importe quelle langue, étant

donné que la population canadienne est une véritable mosaïque culturelle comprenant des représentants de la plupart des groupes linguistiques importants. Nous entendons par publications culturelles, des publications périodiques où l'élément intellectuel ou culturel a la priorité sur l'élément commercial ou mercantile. Nous ferions entrer dans cette catégorie les publications scientifiques, les journaux et revues d'idées, les publications religieuses, les publications consacrées à des questions sociales, économiques ou politiques, les journaux et revues consacrés aux questions artistiques.

20. 2- Les publications de caractère commercial devraient être soumises à certains droits d'entrée. Notre proposition s'appuie sur les raisons suivantes.

a) Ce sont surtout les publications de ce type qui créent un problème de concurrence soi-disant déloyale avec les publications canadiennes.

b) Ces publications disposent le plus souvent de moyens financiers et de conditions de production qui les rendent capables de défier sur le plan de la concurrence commerciale toutes les publications canadiennes qui doivent pour leur part faire face aux frais complets d'une production entièrement réalisée au Canada.

21. Au sujet de ces publications de caractère premièrement commercial, nous formulons les recommandations suivantes.

a) Les règles du service postal canadien devraient être reformulées de manière à imposer à ces publications des frais de manutention postale plus élevés que ceux dont elles bénéficient actuellement. On a fait remarquer avec raison à la Commission Royale que la principale source de déficit du service postal canadien provient des marchandises livrées sous l'étiquette de la seconde classe. Or, une portion considérable de ces marchandises consiste en des publications américaines qui jouissent ainsi de privilèges absolument inexplicables de distribution postale.

b) Nous croyons que ces publications étrangères devraient payer une taxe sur les revenus de publicité qu'elles viennent cueillir au Canada. Nous croyons en particulier qu'une taxe assez élevée devrait être prélevée sur la publicité canadienne incluse dans ce qu'on appelle communément les "split-run-editions" de magazines américains ou étrangers.

c) Nous croyons que les publications obscènes, ou les publications qui exploitent le sexe et le crime dans un but de lucre devraient être soumises, avant d'être admises au Canada, à des exigences sévères de la part des autorités douanières. Nous croyons que les services d'inspection du Gouvernement à cet effet devraient être réorganisés de manière à assurer une surveillance à la fois intelligente et réaliste, en accord avec les

récentes modifications au code criminel du Canada.

d) Nous croyons qu'aucune revue étrangère ne devrait être autorisée à se présenter au public canadien avec l'étiquette "édition canadienne", à moins que 50% de son contenu rédactionnel ne soit d'origine canadienne.

e) Nous croyons que tous les périodiques venant de l'étranger devraient être tenus de porter "clairement indiquée sur la page couverture" l'indication de la date de parution et de la périodicité. Ceci aurait pour objet de rendre illégal au Canada l'envoi par centaines de milliers d'exemplaires de déchets culturels consistant en des retours non-vendus de publications d'abord mises en circulation dans d'autres pays.

22. 3- Il a été beaucoup question devant cette Commission des éditions canadiennes de magazines américains - et peut-être, éventuellement, de magazines français.- Nous croyons que dans la mesure où ces publications sont possédées, dirigées, rédigées et imprimées au Canada, elles devraient être soumises aux mêmes règles que les publications canadiennes. Dans la mesure où elles sont possédées, rédigées, dirigées et/ou imprimées à l'extérieur du Canada, elles devraient être considérées comme des publications étrangères et soumises aux mêmes règles que ces dernières.

23. Dans l'hypothèse où de telles publications sont en fait des visages canadiens de publications étrangères, nous croyons devoir formuler à leur intention les deux recommandations suivantes.

a) Une taxe devrait être imposée sur la partie des profits qui doit être retournée au bureau-chef à l'étranger.

b) Dans le domaine de la réclame commerciale, les dirigeants de ces publications devraient avoir la sagesse de ne pas pratiquer au Canada des politiques de taux qui soient de nature à mettre hors de combat leurs concurrents canadiens. A défaut d'une telle attitude, le principe de la taxe sur la publicité prise au Canada devrait leur être appliqué rigoureusement, de manière à établir un équilibre satisfaisant pour leurs concurrentes canadiennes qui ont à faire face à des conditions de production plus onéreuses.

24. C- <u>Recommandations de caractère général</u>

1- La Commission Royale devrait recommander au Gouvernement fédéral d'accorder à la Bibliothèque nationale ou à un autre organisme compétent l'aide nécessaire pour assurer la création d'un Index complet et permanent de tous les périodiques canadiens. On estime qu'il y a actuellement plus de 800 périodiques canadiens. Or, seulement une centaine de ces périodiques sont présentement indexés en vertu d'une initiative de l'Association Canadienne des Bibliothèques. Environ une autre centaine sont indexés aux Etats-Unis. Il faudrait un service consolidé, complet et permanent.

25. 2- Plusieurs sociétés qui ont comparu devant votre Commission ont souligné les désavantages réels que doivent affronter des auteurs canadiens et des maisons d'édition canadiennes dans leurs rapports avec les Etats-Unis. On a souligné en particulier à votre Commission la position désavantageuse d'un auteur qui publie un texte au Canada et qui veut distribuer aux Etats-Unis un nombre supérieur à 1500 copies de ce texte. Dans ces conditions, cet auteur est exposé à perdre ses droits d'auteur. De même, les dirigeants d'un grand magazine hebdomadaire ont fait valoir à votre Commission que s'ils voulaient exporter leur magazine aux Etats-U Unis, ils devraient payer un droit d'entrée sur chaque copie qui serait exportée dans la république voisine.

26. Nous croyons que la Commission Royale devrait recommander au Gouvernement canadien d'entreprendre le plus tôt possible des négociations avec la république voisine, afin d'établir une parfaite parité pour les revues et auteurs canadiens qui veulent pénétrer le marché américain.

27. 3- La Commission Royale devrait recommander au Gouvernement fédéral de faire une meilleure publicité et d'assurer un meilleur régime de diffusion aux publications nationales et internationales dont plusieurs organisations du gouvernement fédéral assurent la production et favorisent la diffusion. L'Imprimeur de la Reine devrait, en particulier, avoir des bureaux de distribution permanents dans chacun des principaux centres du pays.

* * * *

Montréal, le 17 janvier 1961.

A N N E X E

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Association Professionnelle des Industriels
Centre de Culture Populaire - Université Laval
Les Cercles d'Economie Domestique
Les Cercles des Fermières
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Fédération des Femmes Canadiennes-françaises
Fédération des Sociétés St-Jean-Baptiste
Fédération des Travailleurs du Québec
Fédération des Unions de Familles
Fraternité Canadienne des Employés de Chemin de fer
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Jeunesse Ouvrière Catholique
Ligue Ouvrière Catholique
Société Canadienne d'Etablissement Rural
Société des Artisans
Société St-Jean-Baptiste de Montréal
Union Catholique des Cultivateurs
Union des Cultivateurs Franco-Ontariens
Université St-Joseph

N.B. On devra ajouter à cette liste un nombre égal de membres individuels.

PAR M. CLAUDE BEAUBIEN, commissaire: Monsieur Ryan, relativement à la page 8, paragraphe 10a de votre Mémoire, je vous demanderais si vous pourriez élaborer un peu lorsque vous dites: "Nous croyons que sans violer le principe fondamental de la liberté de presse, le gouvernement canadien peut engager de manière générale dans le domaine de la presse périodique deux ordres de mesure qui sont tout à fait justifiables:"

1: "Le gouvernement canadien peut décider de réglementer certains aspects strictement commerciaux ou économiques du fonctionnement des organes de presse périodique."

Que voulez-vous dire exactement par cela? Pouvez-vous nous préciser un peu ce que cela signifie, pouvez-vous élaborer là-dessus?

M. RYAN: Nous faisons surtout allusion dans ce paragraphe au problème de la concurrence qui peut être faite aux publications périodiques canadiennes par des publications étrangères.

Nous considérons que si une concurrence de publications étrangères est faite dans des conditions qui rendent difficiles et mêmes problématiques l'existence et le développement de publications proprement canadiennes, dans ces conditions il est acceptable que le gouvernement introduise certaines mesures destinées à donner au moins des conditions équivalentes aux publications canadiennes.

M. BEAUBIEN: Mais quelles mesures?

M. RYAN: Je crois qu'on le mentionne plus loin dans le Mémoire. Nous avons beaucoup de recommandations qui visent exactement à donner un désir plus concret d'avoir des conditions plus équitables ici...

M. BEAUBIEN: Parce que, dans le paragraphe B, vous dites: "Nous favorisons en principe, dans un domaine délicat comme celui qui a été confié à votre Commission, une politique positive et constructive plutôt qu'une politique négative à base de restrictions et d'interdictions".

N'y a-t-il pas une certaine contradiction entre ces deux énoncés-là?

M. RYAN: Ici, c'est une position de principes.

A supposer que des conditions absolument équitables de concurrence existent, nous préférons que le gouvernement adopte plutôt une politique qui vise à favoriser le développement d'une culture.

A supposer que des conditions économiques et commerciales vraiment défavorables pour l'industrie des publications canadiennes existent, nous croyons que dans ce domaine, le gouvernement peut aider et favoriser l'industrie par des mesures appropriées.

Je ne sais pas si mes confrères veulent élaborer là-dessus... Peut-être M. Parenteau aurait-il quelque chose à ajouter.

M. PARENTEAU: Je pense que l'on faisait référence à certains mémoires qui ont été présentés à cette Commission et qui signalaient certaine infériorité dans la situation des revues canadiennes par rapport à celle des revues américaines au point de vue concurrence. Alors, sans entrer actuellement dans le détail, nous voulons dire: A supposer que cela existe, nous croyons que, au point de départ, il faut faciliter les conditions commerciales des revues canadiennes par rapport à celles des revues américaines actuellement,

et nous suggérons une mesure positive pour favoriser les revues canadiennes.

M. BEAUBIEN: A la page 9, au paragraphe B, au bas de la page, vous dites: "En particulier dans la province de Québec, on constate également une tendance croissante des magazines d'origine française à occuper une place de plus en plus large sur le marché des périodiques. L'Association des maîtres imprimeurs du Québec mentionnait dans le Mémoire qu'elle a soumis à votre Commission que dans un restaurant où l'un de ses représentants s'était procuré un exemplaire de chacune de ces publications périodiques disponibles, il avait trouvé au moins dix revues européennes en langue française contre une revue canadienne en langue française."

Pourriez-vous préciser si vous êtes en faveur de certaines restrictions sur la distribution de certains magazines venant de pays étrangers ou de la France en particulier, ou si vous préconisez une position neutre, ou bien pensez-vous que l'on devrait empêcher l'importation de périodiques français?

M. RYAN: Dans la mesure où il s'agit de publications de caractère commercial, nous n'avons pas fait de distinction entre les publications de langue française et les publications de langue anglaise. Nous avons préconisé les principes généraux qui s'appliquent aux unes et aux autres.

Evidemment, nous avons un grand attachement pour la culture française,- cela se comprend facilement,- et nous croyons que le développement des publications de caractère général, en langue française, originant

au Canada pourrait éventuellement être réduit par l'existence, par l'introduction sur le marché canadien de publications françaises qui, en somme, sont des reproductions en langue française de grandes publications du même titre et américaines.

Nous ne voulons pas nous engager dans une politique préférentielle relativement à ces publications-là, mais nous croyons qu'elles devraient être traitées comme des publications commerciales, et, par conséquent, soumises aux différentes mesures que nous avons préconisées dans notre Mémoire.

En ce qui concerne les publications de caractère culturel, encore ici, nous avons, nous dans la partie francophone du Canada, une préférence évidente pour les publications en langue française, mais on s'intéresse beaucoup aussi, surtout les milieux intellectuels, aux publications de caractère et culture venant d'Angleterre, des Etats-Unis, bref de n'importe quel pays du monde.

M. BEAUBIEN: Vous mentionnez, au tout début de votre Mémoire une tendance grandissante, de la part des Canadiens, de lire des publications venant des Etats-Unis. Vous dites dans votre Mémoire: "Un grand nombre de Canadiens de langue française aiment lire ou se procurer des publications en provenance du Canada anglais ou des Etats-Unis."

M. RYAN: Oui.

M. BEAUBIEN: Croyez-vous que cette tendance soit grandissante?

M. RYAN: Oui, dans la mesure où la connaissance de la langue anglaise fait des progrès dans le milieu de

langue française, dans la mesure où l'instruction et la culture se développent, dans la mesure où l'influence du film est plus considérable, dans la même mesure on peut dire que l'intérêt du public de langue française pour la publication d'origine américaine grandit aussi.

M. BEAUBIEN: A la page 11 de votre Mémoire, fin du paragraphe B, nous lisons: "Ce problème paraît lié au fait que les publications canadiennes n'ont bénéficié jusqu'à date d'aucune politique culturelle cohérente de la part du gouvernement. Voulez-vous élaborer?

M. RYAN: On pourrait diviser l'histoire de la politique gouvernementale en matière culturelle en deux phases: la phase qui a précédé la fondation du Conseil des Arts du Canada et la phase qui a suivi la création du Conseil des Arts.

Avant la création du Conseil des Arts, étant donnée l'interprétation qui avait toujours été donnée au principe de la division des pouvoirs au Canada, on peut considérer que la politique du gouvernement fédéral en a été une d'abstention à peu près complète dans ce domaine.

Depuis la création du Conseil des Arts, un certain nombre de publications culturelles ont joui d'un appui financier de la part de cet organisme et cela a beaucoup servi ou aidé à la survivance de certaines publications et au rayonnement d'autres publications.

Le seul domaine où un certain embryon de politique culturelle a paru exister, fut le domaine des

tarifs postaux. Les responsables des publications périodiques apprécient beaucoup la possibilité de pouvoir expédier leurs revues en vertu des avantages qui leur sont conférés par la catégorie de deuxième classe. Cela a été une contribution indirecte considérable, qui est appréciée.

Mais d'autres aspects n'ont pas fait l'objet d'un travail systématique de la part des autorités gouvernementales à date. Nous en mentionnons quelques-uns plus loin.

Par exemple, nous croyons qu'un travail considérable pourrait être fait pour la diffusion à l'étranger, par l'intermédiaire des ambassades et des missions diplomatiques, des publications canadiennes de valeur. Ainsi, si vous allez dans nos ambassades et dans nos missions diplomatiques, vous constaterez, dans les pays où nous comptons des représentants, que les publications canadiennes sont en nombre limité. Il pourrait donc y avoir un encouragement plus large de nos publications canadiennes.

Un autre point, qui touche le domaine de la publicité dans la province de Québec. Depuis déjà de nombreuses années, soit depuis au moins un quart de siècle, le gouvernement provincial a très souvent favorisé de contrats de publicité les revues périodiques, soit de caractère culturel ou général. En exemple, je citerai la revue de la J.O.C., qui est un petit mensuel qui profite d'une page d'annonces où le Secrétariat de la province annonce ses services spécialisés pour les jeunes travailleurs.

Vous aurez souvent aussi une annonce qui fait de la réclame au service d'orientation. Le Secrétariat de la province de Québec a fait beaucoup dans ce domaine. Il en a été ainsi d'autres ministères, mais ce fut là une forme indirecte. Ce fut beaucoup apprécié.

Cependant, jusqu'à date, nos publications n'ont pas reçu beaucoup d'aide de la part des autorités fédérales. Nous croyons qu'une publicité plus systématique pourrait donner une forme d'assistance qui constituerait une action positive.

M. BEAUBIEN: A la page 17, vous dites ceci: "Que des mesures soient prises pour assurer l'application des récents amendements au code criminel."

Au deuxième paragraphe, vous continuez: "Suivant en cela la recommandation de la revue de l'Eglise anglicane.

Vous comprenez que notre Commission ne peut pas demander l'absolution de l'Eglise anglicane, en autant que les publications sont concernées ou dans le domaine de la censure. Nous n'avons là aucun mandat.

Quel est ici votre point de vue?

M. RYAN: Nous avons cru que cela serait une bonne chose de profiter de l'occasion pour signaler à votre attention ce problème. Je voudrais ajouter ici une petite nuance qui a été omise dans le texte.

Nous suggérons que la Commission recommande un code d'éthique, qui serait opéré et administré par les membres mêmes de la profession. C'est une sorte

d'appel à l'opinion publique éclairée.

Nous savons que ce n'est pas la responsabilité d'un gouvernement. Nous voulons profiter de notre rencontre pour souligner ce point. Nous comprenons parfaitement l'opinion de la Commission, cependant (page 75 suit).

THE CHAIRMAN: Thank you, Mr. Ryan. We will give full consideration to your brief.

SUBMISSION BY TIME INTERNATIONAL OF CANADA LIMITED.

Appearances: Mr. L.E. Laybourne, Managing Director.

Mr. Henry Luce, Editor-in-chief.

Mr. Roy Alexander, Editor.

Mr. Robert Elson, Chief, News Bureau (London).

Mr. John Scott, Senior Writer, Canadian News Section.

MR. LAYBOURNE: Mr. Chairman, if I might identify myself for the record and my colleagues: I am Lawrence Laybourne, Managing Director of Time International of Canada Limited. On my left is Mr. Henry Luce, the Editor-in-Chief of Time. On my right is Robert Elson, the Chief of Time's London News Bureau; Mr. Roy Alexander, the Editor of Time and Mr. John Scott the Senior of the staff of Canadian Writers.

THE CHAIRMAN: Mr. Laybourne, for the purposes of expediency would it be all right if we hear you in the order of your submission as indicated in your brief and at the end we will then question you in the order of your presentation. Is that perfectly all right?

MR. LAYBOURNE: Fine.

Mr. Chairman and Members, this is the supplementary submission by Time International of Canada Limited as distinct from a rebuttal.

Our initial submission, dated October 20 and read to the Commission November 16, was an outline prepared on short notice to meet the Commission's request. It covered the essentials of TIME's considered view of its position in Canada.

TIME now underscores and amplifies its original submission. In order that the Commissioners may readily find the matters on which they individually want clarification, we put down the points to be made, with notes of direction to the full file.

1. TIME's quality, the worth of its interpretation of the news, and its impact on readers can be judged only subjectively. We believe that the four volumes here submitted of articles on Canada from TIME and its sister publications, judged by any standard, are of the highest quality. (See Chapter One.)

2. In 1943, some 40,000 Canadian families subscribed to or bought TIME. At the end of 1960 the number of such families was higher by about 200,000, spread across the provinces of Canada in almost the same proportion as the total population. Application of the Canadian Consumer Publications Report estimate of 5.5 readers per copy of TIME in Canada indicates that there are more than a million and a quarter Canadians who read TIME.

A survey conducted by Gruneau Research Ltd. (compiler also of the Canadian Consumer Publications Report) highlights the characteristics of TIME subscribers in 1958. Eighty-seven percent were in

business, the professions or government. Of the fifty-six percent in business nearly two-thirds held executive positions. Sixty-one percent attended college. Forty-three percent were college graduates.

In order to keep the Gruneau survey up to date by its own research, TIME periodically sends questionnaires to new subscribers. The answers to one question, an adjunct to the main line of inquiry, indicate than in 1959 and 1960 over 90 percent of TIME's new subscribers read the Canadian section. We must, however, caution the Commissioners that this is not necessarily true of the million and a quarter readers since the information was drawn from subscribers only, not from their families and friends. (See Chapter Two.)

3. TIME's competitive position among periodicals in Canada must be measured in the light of today's conditions. Two factors differentiate today from the 1940's and early 1950's: a) the introduction of Weekend Magazine in 1951 and the consequent upsurge of weekend magazines, and b) the emergence of television as a national advertising medium in 1953. The stability of TIME's share of advertising revenues in the last seven years should not be confused with its spectacular growth following its introduction in 1943 and in the immediate postwar years.

TIME's share of advertising revenues fluctuated less than two percentage points between 1954 and 1959, whether expressed as a percentage of expen-

ditures in all national media, or in all print media, or in general magazines including weekend publications, or in consumer magazines (1954 to 1960).

These changes demonstrate that TIME has now reached a firm and stable place in the magazine industry of Canada.

If TIME's stability and firm position in the industry were disturbed by restriction or TIME were forced to suspend its Canadian edition, the distinct tendency would be to weaken the consumer magazine as an accepted medium for advertising rather than to provide additional revenues for Canadian-owned magazines now in existence or which might come into existence in the future. (See Chapter Three.)

4. The concept of a separate edition of TIME for Canada had its origin in wartime necessities. At the beginning a Canadian-trained editor was put in charge; then and now, TIME has tried wherever reasonably possible to employ Canadians in its Canadian bureaus and in the Canadian news section in New York. Character, ability and availability are prime criteria of employment, nationality is not. Reporters of any nationality who have intimate experience in Canada perceive the Canadian experience and hear the Canadian dialogue. (The Commission has requested the names, addresses and nationalities of staff members concerned with editing the Canadian section, and the names, addresses and employers of Canadian stringer correspondents. These lists are provided at the end of

Chapter Four.)

In reviewing the early years of TIME Canada, it will be seen that by the end of 1945 purely economic considerations indicated that the separate Canadian edition could be discontinued with a resultant $400,000 annual gain in revenues to the company. Nevertheless, the President of TIME Inc. decided that the Canadian edition would continue in order specifically to satisfy the wishes of Canadians. (See Chapter Four.)

5. TIME's Canadian news section is produced by staff and non-staff correspondents working in Canada and by writers and researchers working in New York. Their combined efforts produce four pages of news about Canada each week. We feel we must try to describe the weekly preparation of the Canadian Affairs section so that the Commission may understand TIME's purpose and method. (See Chapter Five.)

6. The Canadian news section is one of the many sections that make the whole magazine. Each section is essential to the whole. Each must have a harmonious relationship to every other one and to the whole. A pattern must be found for all the news to create an issue of TIME. This pattern represents ultimately the insights and judgments of the responsible single top editorial worker, the Managing Editor. (See Chapter Six.)

We hope that this summary with its appended chapters and supplemental exhibits we wish to put

before you will put TIME's position clearly and fully before the Commission. I will deal with the first three chapters. Then, without further introduction, Mr. Robert T. Elson, the first editor of the Canadian section, will deal with the material contained in Chapter Four; John M. Scott, present senior Contributing Editor of the Canadian section, will deal with Chapter Five; Roy Alexander, formerly Managing Editor and now Editor of TIME, will discuss Chapter Six. These editors and Henry R. Luce, Editor-in-Chief, are available for the Commission's questions on this submission or any other matters it wishes to explore.

CHAPTER ONE

TIME in its initial submission asserted: "...so much Canadian news is carried in TIME that it may be said confidently that no other journal provides as much information to as many readers throughout the world." Quantity is comparative, and the comparison must be placed in the context of the original submission as a whole. From a journalistic point of view we believe that all editions of TIME carry a substantial quantity of news about Canada, even though when measured by inches or by pages it may seem small to Canadian readers. Quantity, however, is not a prime consideration; quality is.

At the Commission's request after receiving the submission, every article on Canadian affairs and every substantial reference to Canada or Canadians in the U.S. edition in 1959 was listed by heading,

date and space. It was not our representation that each item was of equal weight or value. In examination, the Chairman chose to read into the record the headings of many relatively inconsequential items with the effect of ridiculing TIME's claim that it dealt substantially with Canadian affairs in its editions outside of Canada. It must be pointed out that TIME should be judged in this respect not by the frivolous or diverting, which have a proper place in TIME or any other well-balanced journal, but by the serious, material reportage which is consistently its major offering to its readers.

We invite the Commissioners to note that the 14-page list of articles or references in Appendix J (produced at their request) contained at least 48 citations of Canadian stories which must be accepted as substantial by any journalistic standard. The subject matter embraced the place of the Crown in Canada and Commonwealth, the pace of the Canadian economy, the development of Canadian resources, the progress of Canadian industry, the relations of Canada and the United States, the defense of the continent, developments in Canadian politics, both national and provincial, immigration policy, external affairs, religious thought, medical and biological science, broadcasting, press, the fine arts and sport. Those articles accounted for nearly three-quarters of the space devoted to Canadian affairs in the U.S. and other non-Canadian editions of TIME in 1959. To

imply the contrary, by overemphasis of the humorous or slight, is to distort TIME's editorial record.

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It is appropriate, therefore, that specific examples of Time's excellent reporting on Canada should be presented to the Commission. A volume containing a representative group of 46 articles from the U.S. edition in 1958, 1959 and 1960 is submitted for examination by the Commissioners.

We draw their attention particularly to the eight-page article, including six pages of colour photographs, on the St. Lawrence Seaway in the issue of July 14, 1958; to the seven-page report, also with six pages of colour photographs, dealing with the centennial of British Columbia in the issue of October 27, 1958; to the report on exploration for oil in the Arctic islands in the issue of February 23, 1959; to the report on the Newfoundland loggers strike in the issue of March 23, 1959; to the cover story on the Queen and Canada in the issue of June 29, 1959; to the report on the Canadian North, a two-page article entitled "The Great Tomorrow Country", in the issue of August 3, 1959; to the entire Art section in the issue of September 28, 1959, reporting on the theft of six important paintings from the Toronto Art Gallery and the opening of the Beaverbrook Art Gallery; to the article on the "golden horseshoe" of the Lake Ontario area in the issue of February 10, 1960; to the report

on the new Eskimo art form, prints, illustrated with three examples in colour, in the issue of February 22, 1960; to the article on the National Gallery exhibit of Yousuf Karsh's photographs in the issue of October 10, 1960.

It is such articles as these, with their immediacy of impact and painstaking quality, that bear out Time's assertion that its reporting of Canada to the world is of the highest order.

Three other volumes have been prepared for the Commission. These contain major articles about Canada or Canadians that have appeared in recent years in Time's sister magazines, Life, Fortune and Sports Illustrated. We invite the Commissioners to inspect these, a volume of stories from Life, a volume of stories from Fortune and a third volume of stories from Sports Illustrated, in the light of Time's assertion that the intense coverage of Canada by correspondents concentrating primarily on the flow of Canadian news for Time has been of journalistic value to the editors of the other publications which share Time's corporate and editorial home.

Attention should be drawn to the remarkable dramatic force of Life's coverage of the Canadian Federal election in its issue of March 24, 1958; of the Springhill disaster in its issue of

November 10, 1958; of the Queen's tour of Canada in the issue of June 29, 1959; of "The Long Border That Peace Built" in its issue of September 12, 1960, to name some of the articles there.

The Fortune volume contains articles from 1958 and 1959 on Frank McMahon's pipeline enterprises, on the renaissance of the Hudson's Bay Co., on the industrial resurgence of Massey-Ferguson, on E. P. Taylor as "Canada's Most Influential Businessman", and on the St. Lawrence Seaway ready for operation.

The Sports Illustrated volume has 15 representative articles which appeared in that magazine in 1958, 1959 and 1960. All handsomely illustrated, many in colour photographs or drawings, they present reports on a wide range of Canadian sports and sportsmen.

Time's initial submission should have been accompanied by such examples from the four magazines as have now been presented. We hope that their distinction will not be regarded as less because of the delay in bringing them to the Commissioners' direct attention.

---EXHIBIT NO. O-126: Brief of Time

---EXHIBIT NO. O-127: Special Exhibit of Time

---EXHIBIT NO. O-128: Special Exhibit of Life

---EXHIBIT NO. O-129: Special Exhibit of Fortune

---EXHIBIT NO. O-130: Special Exhibit of Sports Illustrated.

Beginning with the appearance of Time's representatives before the Commission on November 16, the Commissioners have shown consistent, flattering and surprising interest in the readership of Time generally and of the Canadian section in particular. Questions are raised which we should try to answer.

To speak first in plain numbers: Circulation of Time in Canada has averaged 225,200 a week in 1960, an increase of eight per cent over the previous year. This was slightly less than the average annual gain of 10 per cent in circulation since the edition was started 17 years ago.

December 1960 issues have run about 238,000 copies, approaching the total of 240,000 which advertisers have been advised will be the base for advertising rates in 1961. Of the current circulation, about 197,500 is by subscription, and the balance is single-copy sales on the newsstands, which have averaged slightly over 40,000 in recent weeks.

These figures for 1960 are Time's estimates, to be verified shortly by the Audit

Bureau of Circulations. The latest available A.B.C. report on Time, for the six months ended June 30, 1960, showed average weekly paid circulation of 223,073. In that period 72,796 subscriptions were ordered by mail, 11,872 were ordered through catalogue agencies and individual agents, 19 through publishers' salesmen, apparently not a very effective group, 2,411 through independent agencies' salesmen, and 184 through schools, churches, fraternal and similar organizations.

More than half of the subscriptions -- 50,184 -- ordered in the first six months of 1960 were for terms of one year or longer. Of these, 4,472 were for three to five years, and 3,227 were for five years or longer. The basic subscription prices (ranging from $7 for one year to $20 for five years) were paid by 20,335 subscribers. The rest of the subscriptions were ordered at the special reduced prices offered to educators, clergy, recent college graduates, students, transportation companies and Time's employees, and extended to others for Christmas gift and various introductory short-term periods.

The A.B.C. statement also contains an analysis of the geographic distribution of the issue of January 18, 1960. The following table shows this distribution by provinces for both subscriptions and single-copy sales; and you have the table in front of you.

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The A.B.C. statement also contains an analysis of the geographic distribution of the issue of January 18, 1960. The following table shows this distribution by provinces for both subscriptions and single-copy sales;

PROVINCE	Subscriptions	Single Copy Sales	TOTAL	%
Newfoundland	2,817	725	3,542	1.59
Nova Scotia	6,836	1,760	8,596	3.85
Prince Edward Island	685	131	816	0.37
New Brunswick	4,602	1,051	5,653	2.54
Quebec	38,112	8,226	46,338	20.78
Ontario	76,057	15,331	91,388	40.98
Manitoba	9,819	1,782	11,601	5.20
Saskatchewan	7,648	1,408	9,056	4.06
Alberta	15,447	4,008	19,455	8.72
British Columbia	20,025	5,085	25,110	11.26
Northwest Territories	384	66	450	0.20
Yukon Territory	538	142	680	0.31
Miscellaneous		39	39	0.02
TOTAL CANADA	182,970	39,754	222,724	99.88
Foreign	24		24	0.01
Military or Civilian Personnel Overseas	249		249	0.11
GRAND TOTAL	183,243	39,754	222,997	100.00

It is of interest to note that TIME's 20.78 percent in the Province of Quebec is higher than that of any other general English-language magazine.

Like other publishers, TIME tries to learn enough about its subscribers and newsstand buyers to be able to identify their group characteristics for the information of advertisers and their agencies.

Occasionally publishers share the cost of a broad study of common value. Such a one was conducted between May 1 and July 31, 1957, by Gruneau Research Limited, which interviewed 8500 persons across Canada to determine readership of periodicals. It was this research effort which estimated that there were 5.5 readers per copy of TIME. (Estimates for other publications included 4.8 readers per copy for Canadian Homes & Gardens, 3.7 for Maclean's, 3.6 for Reader's

It is of interest to note that Time's 20.78 per cent in the province of Quebec is higher than that of any other general English-language magazine. The total does not show that, since we assert it on the strength of the figure in the table.

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The most recent detailed survey of Time's readers was conducted by Gruneau Research Limited among the 164,717 subscribers in the second half of 1958. Questionnaires were mailed to every 104th name on the subscription galleys and were answered by 1,065 persons, 70 per cent of the total who received questionnaires. Some of the findings:

Median age of the subscribers was 39.2

Forty-three per cent were college graduates, and 18 per cent more had had some college or university training.

Sixty-one per cent were home-owners.

Eighty per cent had travelled outside their own province or in foreign countries in the previous year.

Fifty-six per cent were engaged in business, 28 per cent in the professions and 9 per cent in government or the armed forces.

Additional details from this survey may be found in a Time brochure which is provided to the Commission.

Once or twice a year, Time conducts a more limited study of new subscribers to determine the characteristics of readers recently added to the subscription lists. It is in this questionnaire mailed for this purpose that Time makes its only

effort to poll its readers on their reading of the magazine. One question asks: "Which of the following sections did you read in the last issue of Time you looked at? (Please check all you read.)" The sections are listed, each name followed by a checking square.

In the first half of 1960, questionnaires were sent to 2,995 subscribers, of whom 1,619 replied. Ninety-four per cent indicated that they read the Canadian Affairs section. In the second half of 1959, the total of subscribers surveyed was 7,882. Replies were received from 4,638 of whom again 94 per cent indicated they read the Canadian Affairs section.

It should be stressed that Time does not regard this as an error-proof study. The question on current reading is included mainly as a stimulus of interest for the entire questionnaire. The results are not material to the editing of Time and are reported here solely because they are the only data the publishers of Time possess to suggest the varying degrees of attention that may be given to the individual sections of the magazine by a substantial number of readers in any one period.

Unquestionably, the growth of Time Canada in acceptance as an advertising medium

was spectacular in the 1940's and early 1950's, and its share of the advertiser's dollar rose very rapidly. By 1954, Time's revenues almost reached the three-million mark. Its share of the national advertising expenditures in major periodicals, radio and television amounted to 2.35 per cent. For the next two years it held this percentage and a stable position in the advertising field. The upsurge of weekend magazines following the start of Weekend Magazine itself in 1951 and the competitive emergence of television in 1953, coupled with the harmful effects of the 1957-58 advertising tax, reduced this percentage to 1.87 in 1958. An upturn came in 1959 and 1960. The following table presents this relationship of Time to national advertising generally; and the table is before you, I believe. It shows that in 1959 Time's total revenue was 1.9 per cent of the total expenditures for national advertising in major periodicals, radio and television.

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	National Advertising Revenue of Major Periodicals, Radio & TV	TIME's Advertising Revenue	Percentage of Total
1954	$123,178,849	$2,896,236	2.35
1955	141,619,791	3,320,664	2.34
1956	164,133,210	3,877,556	2.36
1957	180,114,526	3,908,159	2.17
1958	194,040,149	3,621,855	1.87
1959	207,443,113	3,946,774	1.90

(Note: 1960 data unavailable)

The recent stability indicated by these figures is further illustrated when comparisons are made between TIME's advertising revenues and those of all print media, of general magazines and weekends combined, of the consumer magazines alone, and of the six Canadian-owned, English-language consumer magazines. The following tables show less than a two-percentage-point spread, plus or minus, between the figures for 1954 and 1959.

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These three tables, of course, are before you and can only be read that way. But first states Time's advertising revenue as a percentage of print media advertising. The second, on page 13, shows Time's advertising revenue and expresses it as a percentage of the national advertising revenue of General magazines and weekends, and the third table takes Time's percentage of the national advertising, or just the advertising revenue of consumer magazines.

	National Advertising Revenue of All Print Media	TIME's Advertising Revenue	Percentage of Total
1954	$ 90,878,849	$2,896,236	3.19
1955	97,419,791	3,320,664	3.41
1956	109,833,210	3,877,556	3.53
1957	117,314,526	3,908,159	3.33
1958	121,640,149	3,621,855	2.98
1959	127,543,113	3,946,774	3.09

	National Advertising Revenue of General Magazines and Weekends	TIME's Advertising Revenue	Percentage of Total
1954	$ 29,431,896	$2,896,236	9.84
1955	32,105,530	3,320,664	10.34
1956	35,682,919	3,877,556	10.87
1957	36,957,883	3,908,159	10.57
1958	37,302,126	3,621,855	9.71
1959	40,930,651	3,946,774	9.64

	National Advertising Revenue of Consumer Magazines	TIME's Advertising Revenue	Percentage of Total
1954	$16,098,898	$2,896,236	18.00
1955	17,434,225	3,320,664	19.05
1956	19,495,891	3,877,556	19.89
1957	20,046,551	3,908,159	19.50
1958	19,354,130	3,621,855	18.71
1959	20,869,898	3,946,774	18.91
1960	22,328,614	4,339,492	19.43

It will be noted that while TIME lost ground slightly when compared to all other media, it gained somewhat within the consumer magazine industry in the full seven-year span. The variances, however, are so slight that they give added evidence of the firmness and stability of TIME within its industry. The fall-off during the period of the advertising tax was less than one percentage point. Obviously TIME felt the harmful effect of the advertising tax. Its revenues were some $250,000 less in 1958 than in 1956. However, in the same period the six Canadian-owned English-language consumer magazines suffered a loss of almost $600,000.

It will be noted that while Time lost ground slightly when compared to all other media, in the first table, it gained somewhat within the consumer magazine industry in the full seven-year span. The variances, however, are so slight that they give added evidence of the firmness and stability of Time within its industry. The fall-off during the period of the advertising tax was less than one percentage point. Obviously Time felt the harmfull effect of the advertising tax. Its revenues were some $250,000 less in 1958 than in 1956. However, in the same period the six Canadian-owned English-language consumer magazines suffered a loss of almost $600,000.

The table on page 14 gives the individual advertising revenues of Time and the Canadian-owned English-language consumer magazines.

I would like to call your attention to the fact that only one periodical, Saturday Night, showed a gain in revenue when 1958 was compared with 1956, or when 1958 was compared with 1957.

GROSS ADVERTISING REVENUES

	Maclean's	Liberty	Chatelaine-Cdn. Home Journal (combined)	Canadian Homes	Saturday Night	Mayfair	(excluding TIME) TOTAL	TIME
1956	$4,714,382	$1,427,046	$3,419,391	$934,305	$295,945	$241,115	$11,032,184	$3,877,556
1958	4,620,468	1,416,069	3,133,940	789,875	305,256	192,046	10,457,654	3,621,855
	$93,914	$10,977	$285,451	$144,430	$9,311	$49,069	$574,530	$255,701
	Down	Down	Down	Down	Up	Down	Down	Down
1957	$5,096,184	$1,426,736	$3,355,797	$876,037	$214,726	$226,551	$11,196,031	$3,908,159
1958	4,620,468	1,416,069	3,133,940	789,875	305,256	192,046	10,457,654	3,621,855
	$475,716	$10,667	$221,857	$86,162	$90,530	$34,505	$738,377	$286,304
	Down	Down	Down	Down	Up	Down	Down	Down
1960	$4,329,248	$1,260,446	$4,917,422	$913,888	$416,851	—	$11,837,855	$4,339,492

The foregoing table also shows that in 1960 Chatelaine took the largest share of advertising revenues, and Maclean's and Time were almost even. Expressed as a percentage, Time's share of the advertising revenue of English-language consumer magazines (excluding Reader's Digest) was 26.82 per cent in 1960 as against 26.76 per cent for Maclean's and 30.40 per cent for Chatelaine, with the remaining 16.02 per cent divided among the four other magazines. In 1954, six years earlier, these shares were 23.48 per cent for Time, 30.92 per cent for Maclean's and 26.93 per cent for Chatelaine and Canadian Home Journal combined. These shares show a high degree of consistency throughout the period, indicating still further the stability of Time in the consumer magazine field, as set out in the following table which shows the total expenditures in English in consumer magazines except for Reader's Digest and specifies the share by Time, by Maclean's, by Chatelaine and Canadian Home Journal combined and all others as a balance.

	National Advertising Revenue of English Language Consumer Magazines (Exclusive of Reader's Digest)	TIME's Advertising Revenue	% of Total	Maclean's Advertising Revenue	% of Total	Chatelaine & Canadian Home Journal Combined Advertising Revenue	% of Total	Others' Revenue	% of Total
1954	$12,333,167	$2,896,236	23.48	$3,812,929	30.92	$3,321,360	26.93	$2,302,642	18.67
1955	13,437,432	3,320,664	24.71	4,478,210	33.33	3,095,661	23.04	2,542,897	18.92
1956	14,909,740	3,877,556	26.01	4,714,382	31.62	3,419,391	22.93	2,898,411	19.44
1957	15,104,190	3,908,159	25.87	5,096,184	33.74	3,355,797	22.22	2,744,050	18.17
1958	14,079,509	3,621,855	25.72	4,620,468	32.82	3,133,940	22.26	2,703,246	19.20
1959	15,459,763	3,946,774	25.53	4,496,956	29.09	4,375,850	28.30	2,640,183	17.08
1960	16,177,347	4,339,492	26.82	4,329,248	26.76	4,917,422	30.40	2,591,185	16.02

While the advertising revenues of the consumer magazine declined during the 1956-58 period all other major national advertising media increased without a break, as shown in the following table. You will note that in 1956 general magazine advertising was $19,495,000 and in 1958 $19,354,000 and in every other column of Daily Newspapers, Weekend, Farm Papers, Business Papers, Radio and Television there were increases in that period.

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NATIONAL ADVERTISING EXPENDITURES — CANADA — 1954 to 1959

Year	General Magazines	Daily Newspapers	Weekends	Farm Papers	Business Papers	Radio	Television
1954	$16,098,898	$36,041,770	$13,332,998	$5,859,183	$19,546,000	$23,800,000	$ 8,500,000
1955	17,434,225	37,972,456	14,671,305	5,769,805	21,572,000	20,700,000	23,500,000
1956	19,495,891	43,527,191	16,187,028	6,338,100	24,285,000	20,800,000	33,500,000
1957	20,046,551	46,937,074	16,911,332	6,506,569	26,913,000	22,200,000	40,600,000
1958	19,354,130	48,964,761	17,947,996	6,544,262	28,829,000	24,500,000	47,900,000
1959	20,869,898	48,985,426	20,060,753	6,627,036	31,000,000*	26,900,000	53,000,000*
% Inc. 1954 to 1959	29.64	35.91	50.46	13.11	58.60	13.03	523.53

*Estimated Only

Sources: Magazines — Magazine Advertising Bureau

Newspapers, Weekends, Farm Papers — reported in Marketing by Elliott Haynes

Business Papers — Maclean-Hunter research

Radio and Television — Broadcast Advertising Bureau

The experience in the 1956-58 period makes it quite clear that attempts to regulate natural economic forces are disruptive, since in this period consumer magazines as a group, and Canadian-owned periodicals in particular, lost ground while other media grew uninterruptedly.

Since the Canadian-owned English-language consumer magazines receive a relatively small percentage of total national advertising expenditures, it could hardly be expected that they would get much more than the same percentage of additional dollars that might be available were Time forced to reduce or abandon its Canadian advertising revenue. It is true that certain advertisers are in varying degrees traditionally committed to the use of consumer magazines and that a certain portion of revenues lost to Time might be available to the remaining magazines. It must not, however, be forgotten that Time is the only general news magazine in the consumer field. As such, it has a separate function not performed by other magazines. It is most difficult to determine just how much of the advertising presently in Time would go to other consumer magazines if Time were not in the field.

An analysis of the advertising in Time indicates that a small rather than a material

portion of its revenues might be diverted to Canadian-owned consumer magazines:

1) In 1959, Time carried advertising by 351 companies, of which 131 or 37.3 per cent, used Time only among the consumer magazines of Canada. The conclusions to be drawn from these figures are that more than a third of the advertisers using Time are disinterested in consumer magazines other than a news magazine, and that it is unlikely that any substantial number of them would turn to other consumer magazines if space in Time were restricted or unavailable.

2) In 1959 there were 155 products or services advertised in Time U.S. and also in Canadian consumer magazines. Of these, 37 (or 24 per cent) were advertised only in Time Canada. This 24 per cent would almost certainly not shift to other magazines. In the absence of a Canadian edition, Time would service its Canadian readers with the U.S. edition. Since advertisers would then be buying both American and Canadian circulation of Time, they would have no need to incur the additional expense of space in Canadian magazines which had not been used for their products in the past anyway.

3) Of these some 155 advertisers, 28 (including General Electric, Campbell Soup, Johnson & Johnson, Parke Davis and Sherwin-Williams among others) did not advertise in Time Canada in 1959. If the U.S. edition of Time were to overflow into Canada, these advertisers also would be paying for Canadian circulation, and parent companies or Canadian subsidiaries would have less reason for maintaining expenditures in Canadian magazines.

The interplay of these factors cannot be determined ahead of time with any precision, nor can there be any realistic measure of the total dollars involved. These factors do, however, indicate clearly that it is likely that limitation or elimination of Time would have the effect of weakening Canadian consumer magazines.

To the extent that companies advertising in Time U.S. might nonetheless find it advisable in Canada either directly or through their subsidiaries, their advertising dollars would tend to flow into media other than the weakened consumer magazine.

Whether funds are withdrawn from the field or diverted into other channels, the effect would be to minimize the chance that extra dollars would become available to the Canadian-owned consumer magazines.

From all the analyses in this chapter two conclusions must be drawn:

1) Time Canada after 17 years has established a strong and consistent place among national advertising media that does not in any way endanger the future of Canadian-owned periodicals, and

2) interference by tax or other restrictive measure weakens the consumer magazine as an advertising medium and drives the advertiser's dollar into other media, whether print or broadcast.

Now, Mr. Chairman, Mr. Elson will continue on reading our submission.

THE CHAIRMAN: Before we hear from Mr. Elson, we will take a five-minute recess.

MR. LAYBOURNE: Thank you.

---Recess at 11.25 a.m.

---EXHIBIT NO. O-131: Canadian Consumer Publishers Report Volume 2.

---EXHIBIT NO. O-132: Booklet "Your Best Customers in Canada."

--- Upon resuming at 11.40 a.m.

Robert T. Elson joined TIME's staff as the first Canadian editor in 1943 after 19 years in Canadian journalism. He was an executive on the Winnipeg Tribune, news editor of the Vancouver Daily Province, general manager of the Vancouver News-Herald, Washington correspondent for the Southam newspapers and regular contributor from Washington to Maclean's and The Financial Post. In his more than 17 years with TIME Inc., besides his assignment on Canadian affairs, Elson has also served as Washington bureau chief, as an editor of FORTUNE, chief of the U.S.-Canadian News Service, deputy managing editor of LIFE and general manager of LIFE. He is now chief of the TIME Inc. news bureau in London. Here he describes his experience as the Canadian editor of TIME.

MR. ELSON: Mr. Chairman and Honourable Commissioners, as Mr. Laybourne has told you the inception and early development of TIME's Canadian edition grew out of wartime necessities, both economic and journalistic. In the years since the war new factors have affected the growth of TIME in Canada, but it will be seen that successive publishing decisions have been controlled at least as much by a sense of journalistic imperatives as by the dictates of immediate financial prospects.

In this section of the brief we wish to narrate more adequately the history of TIME in Canada, using where we can the internal memoranda which

reflected day-by-day discussions and decisions within TIME Inc., a number of published statements explaining developments in the Canadian edition, and my own recollections of the assignment given to me and the events that followed. Because these documents deal with various elements of a many-sided publishing activity it is impossible completely to separate the editorial and commercial strands which run throughout.

In a memorandum dated January 21, 1943, to Roy E. Larsen, the then president of Time Incorporated, Andrew Heiskell, a company executive, wrote:

"It would seem now as if the time had come for some Time Inc. person to look at Canada from within Canada and not from New York. I am sure that there are good stories to be had in that country if someone with a fair amount of editorial sense goes up there."

The first Canadian edition of TIME was preceded by the introduction of the International Edition to Canada on February 15, 1943, with the following letter from Publisher Prentice appearing in the issue: Mr. Prentice said:

"Canada has been in the war so much longer than the United States that there is neither need nor excuse for my trying to tell you anything about the need of wartime conservation.

"And Canada plays such a tremendous part in supplying the world with paper that I am sure you already know that transportation difficulties and the

manpower shortage have resulted in a critical paper situation which is making all sorts of conservation measures necessary.

"One such measure which we are forced to adopt this week is to transfer your copy of TIME from the domestic edition to the International Edition. This International Edition is identical with the domestic edition except that:

"1. It will be printed on flyweight paper;

"2. It will carry only a very limited amount of advertising - and all its advertising will be addressed to the international market instead of being addressed to the U.S. domestic market.

"As a conservation measure, I hope you will find this International Edition a satisfactory wartime substitute for the heavyweight copies of TIME.

"TIME's circulation in Canada has grown more than 200% in the past five years. We are proud indeed of this confidence and interest - and we will continue to do everything in our power to deserve it."

Little more than a month later, on March 29, 1943, new editorial emphasis on Canadian news and a decision to establish an entirely separate edition for Canada were announced by Publisher Prentice in the following letter to TIME readers: Mr. Prentice wrote:

"Several of our top Canadian correspondents

were in New York last week discussing the plans for greater Dominion coverage, and I think before long you will begin to see in the magazine the results of these conferences.

"And here are two other items of news about TIME in Canada:

"1. TIME's Canadian news is no longer subjected to peripheral censorship, so from now on you will find in TIME's Canadian edition just exactly the same news that appears in TIME's U.S. edition.

"2. Beginning with the May 3 issue TIME in Canada will carry its own advertising sold separately and written especially to interest our Canadian subscribers - just as our U.S. advertising is sold separately and written especially to interest our U.S. subscribers.

"In the few weeks since we launched the Canadian edition some thirty subscribers have written to me personally about the change. I am sure all advertising men would have been delighted by the unanimity with which they said they wished our Canadian edition carried more advertising. This is a complaint which may very well be satisfied after we begin selling advertising separately for the Canadian edition.

"The one thing that has troubled me has been the feeling manifest in nearly a dozen letters

that in some way we were discriminating against our subscribers in Canada. Perhaps these subscribers would be reassured if I explained to them that the paper conservation order has made it necessary for us to reduce the weight of our paper in the domestic edition too; and it has also forced us to turn away many hundreds of pages of advertising from the domestic edition.

"As for the questions you have asked about why TIME has had to make a more drastic curtailment than any other publication, the answer is quite simple; the circulation of TIME grew more rapidly last year than the circulation of any other important U.S. magazine except perhaps The Reader's Digest. Consequently, the paper conservation order (which cut TIME back to 10% less paper than our average weekly consumption in 1942) actually meant a 31% cut in TIME's paper allowance below what we were using last fall - whereas to many other magazines whose circulations were standing still or falling off the reduction meant less than 10%.

"In other words, the paper cut hit TIME harder than any other magazine that carries advertising - and that is why TIME has had to take extraordinary steps, both in Canada and the U.S., to meet the paper emergency."

Following the publication of the first Canadian edition May 3, 1943, Mr. Eric Hodgins, an executive of Time Inc., in a memorandum to Publisher

Prentice dated May 20, said:

"Since we have a Canadian edition and, as a result, desire to promote goodwill in that country, accuracy on Canadian stories becomes more important than ever before. In spite of our exhaustive checking efforts, it might make considerable sense to have Canadian stories which appear in TIME be given a last reading by somebody who has a real feel for the country and for Canadian news."

At the same time Canadian readers raised questions about the Canadian edition. An answer to one dealing with its future is contained in an internal memorandum dated July 6, 1943, reading as follows:

"Like all questions to do with the future, there are different answers to this one. It is entirely possible that after the war a separate edition of TIME in Canada will be eliminated and that Canadians will again get the U.S. Edition of TIME. In part, this depends on the advertising acceptance of TIME in Canada - because the people who read TIME are the type who are interested in advertising and may be disappointed in TIME's comparative lack of advertising. It also depends somewhat on the results of the experiment which we are now making on the practicality of including a special section of Dominion news."

As earlier reported by Publisher Prentice, the editorial staff was working on ways to improve and expand TIME's coverage of Canadian news. A

staff of editors, writers and researchers was assembled in New York, including myself, a group of experienced stringer correspondents was recruited, and, beginning November 1, 1943, a Canadian section was prepared every week but not published until the issue of December 13, 1943 when the new section appeared in the magazine for the first time.

At this point Mr. Chairman, I think it might be useful to sketch in the background of U.S.-Canadian relations at the beginning of 1943. Never had the two countries been closer in official relations and never had there been so much misunderstanding of Canada in the American public mind. This misunderstanding created national concern in Canada and became a political issue which eventually led to the creation of the Wartime Information Board. What had happened really was that the isolationists, in their attack on Roosevelt's interventionist policies, foreign policies, distorted the Canadian picture for their own political advantage. This argument was that Canada had no conscription for overseas service, fewer restrictions on consumer goods and was giving less direct help to her allies, particularly Britain, than the United States, which was then still officially neutral. Pearl Harbor had not put an end to U.S. criticism of Canada though it did succeed in silencing the more extreme critics. Misconceptions still prevailed. Only part of this was due to wilful work by wilful men. It was aided and abetted by the lack

of information and lack of interest in things Canadian.

It is extraordinary to look back to 1943 and to realize that two peoples with such a common interest had at that time so few direct channels of communication. The overspill of American media flooded Canada with news of the United States but only a trickle of information drifted southward. To the best of my knowledge, only two American newspapers had full time staff correspondents in Ottawa - The New York Times and the Chicago Tribune and dispatches to the latter being hardly helpful. There was no full time radio correspondent of an American network. The Associated Press and the United Press relied almost entirely on their Canadian affiliates, Canadian Press and British United Press, for Canadian information - which was Canadian information written for Canadians with no special interpretation or background for American readers. The result was that, in the main, the news reports coming from Canada which saw the light of print were of disasters and similar spot news.

In Canada the newspapers, just emerging from the long depression, had limited budgets which inhibited enterprise and expansion to some extent. There were only two or three Canadian magazines with truly national circulation, and the only real main channel of communication, except for the two news wires, was the Canadian Broadcasting Corporation.

Midsummer 1943 the invitation came to me to have lunch with Manfred Gottfried, then co-editor

of TIME, and his national affairs editor, Sydney Olson. Ostensibly the idea was to talk over how more Canadian news could be brought into the U.S.; actually it was to talk about TIME's new Canadian edition which at that time was Canadian in name only. But the editors of TIME were also interested in doing something more than just for Canada alone. The original proposal was that there should be two pages in the Canadian edition of Canadian news and one page of Canadian news in the American edition - the latter to follow U.S. At War and be called Canada At War. What made the invitation so attractive was the prospect first of creating a complete Canadian service for reportage in depth of Canada and secondly to be able to tell the story of Canada at war to the American people.

There was nothing cynical about Gottfried's prospectus as laid down at that luncheon. "We want", he said, as I recall it, "to create a news section in Canada that will be in every respect as good as that which we have in the United States. We are prepared to hire the right people to do the job and there is no limitation on the budget. If the section is not in every respect as good as the American sections of TIME it will not run."

Before accepting the position, I canvassed several of my friends in Washington (and in Montreal). The then Minister-Counsellor of the Canadian Embassy in Washington, Lester B. Pearson, encouraged me to

accept, welcoming TIME's interest in Canada as helpful for Canadian-American relations. So did the Ambassador, the late Hon. Leighton McCarthy. Even my employer, the late F.N. Southam, the head of the Southam newspapers from which I was resigning, said: "If I were twenty years younger I would take the job. You will be creating something that does not now exist in Canada - a truly national news magazine."

In taking on the editorship of this edition, as an American with deep Canadian loyalties, I in no way felt that I was employed merely to produce an advertising medium. Instead, I and those associated with me felt we were creating a magazine for which a need existed and did not then exist, and that would in turn provide better information about Canada for the United States and a better understanding of the Canadian war effort.

From the beginning we sought to hire the best Canadian reporters and writers we could get for the Canadian edition. It was agreed that if possible the chief of our Ottawa bureau should be a Canadian. In the first six months a number of top Canadian journalists were approached. At that moment in the war it was difficult to find the right men or to get them released from wartime jobs.

When no Canadians turned out to be available a decision was made to send the best available American journalist to Ottawa. We were fortunate in persuading Lawrence E. Laybourne, who was then an editor of the

St. Louis Post-Dispatch, to take the job. Subsequently he became Managing Director of TIME International of Canada Ltd. - and has spent the last 17 years in close touch with Canadian affairs. Another of our Ottawa correspondents, the late James L. McConaughy Jr., went on from Ottawa to become Washington chief for TIME Inc., a third was John Mecklin, who is now chief of the TIME Inc. bureau in Bonn. Still another was Samuel G. Welles, who is now a senior editor of LIFE. Designated to become Ottawa bureau chief within the next few weeks is John Beal, onetime Washington correspondent for the United Press, a former special advisor to the Government of China and most recently the diplomatic correspondent for TIME in Washington. These names are evidence that the editors of TIME have consistently tried to maintain in Ottawa journalists of the highest professional standing. The calibre of man assigned to be chief correspondent in Canada is evidence of the respect paid by the editors of TIME to the importance of the position and their desire to be adequately informed on things Canadian.

Outside of Ottawa TIME also sought and obtained the best men we could. After the war Stuart Keate, who served in the Royal Canadian Navy, filled the post of Montreal bureau chief and from this post he went on from this office to become publisher of the Victoria Daily Times. In Halifax we were fortunate in being able to obtain the part-time services of Eric Dennis, now editor of the Halifax Herald. In

Quebec we enlisted the services of Roger Lemelin, one of French Canada's most distinguished novelists. In New Brunswick one of our correspondents was Ian Sclanders, now the western editor of Maclean's. From coast to coast some of the best Canadian journalists were happy to help with TIME's Canadian edition.

This remarkable group of correspondents assisted the editors in producing for American readers of TIME consistent and comprehensive news of Canada. In the beginning with the issue of January 3, 1944, this was carried under the heading Canada at War in the U.S. and Canadian editions - this page continued until 1949 when Canadian News was then merged in a new department called The Hemisphere - one page in the American edition and two pages in the Canadian edition. At the beginning this created an editorial problem: Should the section be written from a Canadian point of view or from an American point of view? Because the one page had to be written from the point of view of the American reader, and only a last-minute decision determined what was to go into the U.S. edition, both pages had to be written as if for American readers. Moreover, there was an even more important principle involved: The Canadian edition could not be more than what it said it was - a Canadian edition of TIME, the Weekly Newsmagazine, an American magazine which was then emerging as an international medium, a development in which the Canadian edition was one of the first steps. Our Editor-in-Chief

ruled that in respect to international affairs TIME in all its editions had to reflect the same attitudes and opinions of its editors; in domestic affairs they were frequently deeply involved, but reporting purely Canadian news TIME's editors were to remember they were essentially guests in Canada and to report news of Canada with this in mind. What was and is produced for Canadians is in essence a national news service that covers the country from coast to coast and presents Canada with a picture of the nation as it would appear to their neighbours.

Shortly after we began producing this section Reg Ingraham, himself a Canadian and TIME war correspondent in Italy, wrote to me as the Canadian editor reporting that a Canadian colonel asked him if we could send the Canadian edition to the troops in Europe. TIME promptly offered to distribute 5,000 copies in one or other of its editions. Technical problems arose, however, and after a series of conferences with National Defense headquarters at Ottawa and Col. R.F. Angus of the Canadian Army staff at Washington, these difficulties were overcome so that early in 1945 the 5,000 copies were sent to Canadian troops without charge. Although I was not directly involved, in 1951, it is interesting to note, when Canadian troops were in Korea, the publisher of TIME sent the Pacific edition printed in Japan to them, and later in the year, after a number of the Canadian troops requested it, inserted a four-page

section of Canadian news in the Pacific edition copies that went to the Canadians.

Toward the end of 1945 the publisher of TIME found there was a financial incentive to drop the Canadian edition. He estimated that annual advertising revenues from the Canadian edition were some $400,000 lower than those which could be obtained from U.S. advertisers by adding the circulation in Canada as part of TIME's regular rate base for advertising in the U.S. The mechanical costs of production and distribution of the Canadian edition were substantially higher than the estimated costs of distribution in Canada of the American edition, to which had to be added, of course, the substantial costs involved in maintaining news and editorial staffs. In a memorandum October 4, 1945, summarizing the discussions, Publisher Prentice reported that to withdraw advertising privileges from Canadian advertisers "would not sit too well with Canadian advertisers with whom we have made friends and to whom we have sold space over the past two years" and that Canadian advertising, and again I quote, "also gives Canadian subscribers a more proprietary sense."

The upshot was that even though the financial and commercial aspects were unfavourable, the Canadian edition would be continued in order to satisfy not only the wishes of the readers but of the Canadian advertisers.

The personal views of Roy Larsen, then

president of Time Inc., are reflected in a memorandum from C.D. Jackson, vice-president in charge of international operations, to T.S. Matthews, the then Managing Editor of TIME, dated October 24, 1945: Mr. Jackson wrote:

"For some time it was undecided as to whether this edition (the Canadian edition of TIME) should be considered part of the domestic picture, with the circulation added to domestic circulation for business reasons, or whether it should be publicly a separate Canadian edition. The latter had the advantage of being extremely gratifying to proud and sensitive Canadians...

"Roy Larsen finally decided last week (but not as a result of any urging by empire-building Time-Life International, but all by himself) that the edition should be a separate Canadian edition, presented as such to Canadians, and standing on its own feet businesswise.

Page 130 follows.

"It would be extraordinarily useful if the amount of Canadian editorial material in that edition could be increased. At present you run two pages under Canadians against one page in the domestic edition. I understand that each week your Canada writer writes at least four pages.

Would you consider the possibility of an increase to either three or four pages -- which would mean the elimination, I hope, not of some other department, but of certain individual N.A. or Army and Navy stories each week which would not be considered of particular interest to Canadians?"

When I received a copy of the foregoing memorandum, I said this in a reply, dated October 27, 1945, to C.D. Jackson; I wrote:

"... I think the Canadian Department should be increased by not more than three pages and that in the Canadian edition Canada should lead up the magazine as National affairs does in the U.S. edition ...

The reason I think Time in Canada ought to confine itself to three pages is that under no circumstances should Time's editorial content in that, the Canadian edition, edition be of lower standard than the U.S. edition ....

"If there are to be any eliminations from the U.S. edition, they should be made at the expense of Army and Navy rather than other departments. It is hard to over-estimate the interest of Canadians in U.S. national affairs. An objective survey of Canada would show that the average Canadian knows more about U.S. affairs than anybody else in the world except an American ... It has been the experience of U.S. firms operating in Canada that Canadian consumers like to be assured that the Canadian product is identical with the U.S. product. In our case, the addition of the Canadian news section has not only been a compliment but has filled a very definite need in Canadian life -- a national summary of news which would give Canadians a complete picture of Canada. I think they buy the Canadian edition of Time for this feature, but at the same time they want to be assured that the edition of the Canadian section does not mean a sacrifice of original and essential Time services. In Canada our best sales argument is that we are offering Canadians a better Time than they can buy in the U.S."

Mr. Chairman, that completes this part of the submission and I note that in response to the

Commission's request, we have submitted a list of full-time employees and part-time employees which, I take it, will be entered in the record. Thank you, sir.

MR. SCOTT: Mr. Chairman, I prefer to remain seated if I may.

THE CHAIRMAN: That will be all right. You are Mr. Scott?

MR. SCOTT: Yes, sir.

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only been a compliment but has filled a very definite need in Canadian life — a national summary of news which would give Canadians a complete picture of Canada. I think they buy the Canadian edition of TIME for this feature, but at the same time they want to be assured that the edition of the Canadian section does not mean a sacrifice of original and essential TIME services. In Canada our best sales argument is that we are offering Canadians a better TIME than they can buy in the U.S."

• • • • •

Ottawa Bureau 77 Metcalfe Street	—	Arthur W. White, bureau chief (U.S. citizen) 265 Daly Avenue Apartment 29 Gavin Scott, correspondent (Canadian citizen) 255 Metcalfe Street Mrs. Mary Martin, editorial secretary (Canadian citizen) 73 Kenilworth Street
Montreal Bureau 910 Sun Life Building	—	Jon S. Anderson, bureau chief (Canadian citizen) Apartment 303 3495 Mountain Place Miss Janet Henderson, editorial secretary (Canadian citizen) Apartment 405 1555 Summerhill Ave.
Toronto Bureau 25 Adelaide St. West	—	Paul Hurmuses, bureau chief (Canadian citizen) 252 The Kingsway Mrs. Ruth Pinkerton, editorial secretary (Canadian citizen) 75 High Park Blvd.

Calgary Bureau 223 Lougheed Building	—	Edmon Ogle, bureau chief (U.S. citizen) 629 Madison Avenue
		Miss Margaret Rohrich, editorial secretary (Canadian citizen) 712 - 40th Avenue N.W.
New York Staff Time & Life Bldg. Rockefeller Center	—	James Keogh, senior editor (U.S. citizen) Harbor Drive Belle Haven Greenwich, Conn.
		George G. Daniels, senior editor (U.S. citizen) 200 East End Ave. New York 28
		John M. Scott, contributing editor (Canadian citizen) Mount Lucas Road Princeton, N.J.
		Harrison Lilly, contributing editor (U.S. citizen) 65 Chadwick Road White Plains, N.Y.
		Edwin G. Warner, contributing editor (U.S. citizen) 310 West 106th Street New York 25
		Mrs. Dorothy Haystead, head researcher (U.S. citizen) 37 High Lane Rutherford, N.J.
		Miss Ruth Reed, researcher (Canadian citizen) 402 East 162nd St. The Bronx, New York
		Mrs. Margaret Boeth, researcher (U.S. citizen) 90 Riverside Drive New York 24
		Mrs. Paula Arno, researcher (U.S. citizen) 143-08 Roosevelt Avenue, Flushing 54, N.Y.
		Robert Parker, news bureau deskman (U.S. citizen) 8 Revere Road Port Washington, N.Y.
		Mrs. Nancy Armstrong picture researcher (U.S. citizen) 951 Second Avenue New York

B) The following are part-time correspondents regularly serving TIME as stringers in Canada:

Correspondent	Employer
Harry L. Binsse Point au Pic, P.Q.	Free-lancer
James Bowes Grand Prairie, Alta.	Bowes Publications Ltd. (President) (and Editor - Grand Prairie Herald Tribune)
Arthur Brydon 8 Spring Garden Ave. Toronto, Ont.	Globe & Mail (Reporter)
Gerry Childs 514 McKiel St. Lancaster, N.B.	Saint John Times-Globe (Reporter)
Michael Cope 260 Birkdale Road Scarborough, Ont.	Free-lancer
Alan Dafoe 563-11th St. E. Prince Albert, Sask.	Prince Albert Daily Herald (News Editor)
Ralph Daly 990 Leland Ave. West Vancouver, B.C.	Vancouver Sun (Editorial Writer)
Jack Denhoff 327 Poplar Crescent W. Saskatoon, Sask.	Saskatoon Star-Phoenix (News Editor)
Ronald Dixon Sault Ste. Marie, Ont.	Sault Daily Star (Reporter and Staff Writer)
Gus Flynn 235 Grafton St. Charlottetown, P.E.I.	Charlottetown Guardian-Patriot (Assignment Editor)
Graham Galloway Fredericton, N.B.	Daily Gleaner (Reporter)
Bill Gold 1716-10 St. S.W. Calgary, Alta.	Calgary Herald (Political Reporter)
Jack Golding 9 College St. Halifax, N.S.	Free-lancer
Chris Higginbotham 3140 Victoria Ave. Regina, Sask.	Free-lancer
H. Garth Hopkins 78 First St. S.W. Medicine Hat, Alta.	Medicine Hat News (Editor)
Ted Horton Yellowknife, N.W.T.	News of the North (Editor and Owner)

Jacques Keable Room 203 - 1026 Rue St. Jean Quebec City, P.Q.	La Presse - Montreal (Quebec City Correspondent)
Richard Lunn, 21 Pynford Cres. Toronto, Ont.	Toronto Star Weekly (Staff Writer)
Ian MacNeil Sydney, N.S.	Cape Breton Post (City Editor)
Stan Malinoski 617 Rosewood Cres. Fort William, Ont.	Free-lancer
Hal Malone 1030 Nicholson St. Victoria, B.C.	Victoria Daily Times (Columnist and Reporter)
Ken Mason 8304 - 145 St. Edmonton, Alta.	Edmonton Journal (Legislative Correspondent)
Doug McBride 420 Taylor Ave. The Pas, Man.	Free-lancer
Rex F. McInnes 3120 Morris Drive Windsor, Ont.	Windsor Star (Assistant City Editor)
Mrs. Orma McNaughton 1180 Gorman St. North Bay, Ont.	North Bay Nugget (Senior Reporter)
Pat Nagle Apt. 2 - 2110 Crescent St. Montreal, Que.	Montreal Gazette (Reporter)
P. J. Lavell Kingston, Ont.	Kingston Whig-Standard (Reporter)
Athol Retallack P.O. Box 191 Dawson City, Yukon Territory	Free-lancer
Francis V. Scholes 59 Ferrara St. Hamilton, Ont.	The Hamilton Spectator (Deskman)
James R. Thoms 21 Hatcher St. St. John's, Nfld.	News Director CJON Radio— CJON-CJOX-TV
Harold J. Vandetti 1103 River Road Fort Frances, Ont.	Free-lancer
Marcus Van Steen 194 Park Ave. Brantford, Ont.	Free-lancer
Val Werier 609 Queenston St. Winnipeg, Man.	Winnipeg Tribune (Director of News Development)

Jim Whelly Fort Smith, N.W.T.	Free-lancer
J. L. Wild 40 Edgar Drive University Heights, S.S.3 London, Ontario	Professor — University of Western Ontario
Jack Worsell 14 Tachun Road Whitehorse, Yukon Territory	Free-lancer (Sheriff of The Yukon)
George Wotton 82 Water St. E. Summerside, P.E.I.	Summerside Bureau- Charlottetown Guardian Patriot

C) The following are correspondents who were employed as stringers by TIME in 1959 or 1960:

Dave Adams
Edmonton Journal
Edmonton, Alta.

Margaret Alderson
Timmins Daily Press
Timmins, Ont.

Jon Anderson (Now Staffer)
Montreal Gazette
Montreal, Que.

Marvin Anderson
Calgary Herald
Calgary, Alta.

Dave Angus
Montreal, Que.

John Arnett
St. Catharines Standard
St. Catharines, Ont.

Lloyd Baker
Victoria Daily Times
Victoria, B.C.

Walter Beaver-Jones
Kelowna Courier
Kelowna, B.C.

Harry L. Binsse (freelance)
Point au Pic
Charlevoix, Que.

Ken Black
CBC
Winnipeg, Man.

Helen Bogart
Whitehorse Star
Whitehorse,
Yukon Territory

James Bowes
Bowes Newspaper
Edmonton, Alta.

George Brimmel
Ottawa, Ont.

Jack Brooks
Vancouver Sun
Vancouver, B.C.

Arthur Brydon
Globe & Mail
Toronto, Ont.

Bert Burgoyne
Telegraph-Journal
Saint John, N.B.

Jack Cameron
Guardian-Patriot
Charlottetown, P.E.I.

Lauchie Chisholm
Montreal Gazette
Montreal, Que.

Bill Collins
Sudbury Star
Sudbury, Ont.

Michael Cope
260 Birkdale Rd.
Toronto, Ont.

Alan Dafoe
Prince Albert Daily Herald
Prince Albert, Sask.

Ralph Daly
Vancouver Sun
Vancouver, B.C.

Jack Denhoff
Saskatoon Star-Phoenix
Saskatoon, Sask.

Patricia Denhoff (freelance
327 Poplar Cres. W.
Saskatoon, Sask.

Ron Dixon
Sault Daily Star
Sault Ste. Marie, Ont.

Ian Donaldson
Canadian Press
Halifax, N.S.

Hal Dornan
Vancouver Sun
Vancouver, B.C.

Gordon Duffy
Halifax Herald
Halifax, N.S.

James Farrabee
Montreal, Que.

Gus Flynn
Guardian-Patriot
Charlottetown, P.E.I.

Graham Galloway
Fredericton Gleaner
Fredericton, N.B.

Robert Gardiner
Kingston Whig-Standard
Kingston, Ont.

Nancy Gaunt (freelance)
Arvida, Que.

Lewis Gloin
Hamilton Spectator
Hamilton, Ont.

William Gold
Calgary Herald
Calgary, Alta.

Jack Golding (freelance)
9 College St.
Halifax, N.S.

George Graham
Sault Daily Star
Sault Ste. Marie, Ont.

Jim Hayes
Cape Breton Post
Sydney, N.S.

Ron Hayter
Edmonton Journal
Edmonton, Alta.

Fred Hazel
Saint John Times-Globe
Saint John, N.B.

Stan Helleur
Toronto Telegram
Toronto, Ont.

Chris Higginbotham
(freelance)
Press Gallery
Legislative Bldg.
Regina, Sask.

Garth Hopkins
Medicine Hat News
Medicine Hat, Alta.

Ted Horton
News of the North
Yellowknife, N.W.T.

Jack Howlett
Station CJON
St. John's, Nfld.

James Hume
Penticton Herald
Penticton, B.C.

Bob Jamieson
Montreal Gazette
Montreal, Que.

Jack Jamieson
Whitehorse Star
Whitehorse,
Yukon Territory

Lloyd Johnson
Globe & Mail
Toronto, Ont.

Monroe Johnston
Toronto, Ont.

Jacques Keable
La Presse
1026 Rue St. Jean
Quebec City, Que.

Ab Kent
Victoria Daily Times
Victoria, B.C.

Ed Larracey
The Transcript
Moncton, N.B.

Wilfred List
Globe & Mail
Toronto, Ont.

Pete Louden
Vancouver Sun
Vancouver, B.C.

Richard Lunn
Globe & Mail
Toronto, Ont.

Ian MacDonald
Edmonton Journal
Edmonton, Alta.

Ian MacNeil
Cape Breton Post
Sydney, N.S.

Ed Mahoney
Toronto Telegram
Toronto, Ont.

Walt Makdator
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Stan Malinoski
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Hal Malone
Victoria Times
Victoria, B.C.

Ken Mason
Edmonton Journal
Edmonton, Alta.

Neil Matheson
Guardian Patriot
Charlottetown, P.E.I.

Ian Mayer
Edmonton Journal
Edmonton, Alta.

Doug McBride
420 Taylor Ave.
The Pas, Man.

Gerald McDuff
Daily Record
Sherbrooke, Que.

Don McGillivray
Winnipeg Tribune
Winnipeg, Man.

Rex McInnes
Windsor Star
Windsor, Ont.

Rex McLeod
Globe & Mail
Toronto, Ont.

Orma McNaughton
North Bay Nugget
North Bay, Ont.

Gerald McPherson
Timmins Daily Times
Timmins, Ont.

Ken McTaggart
Toronto, Ont.

Carl Morgan
Windsor Star
Windsor, Ont.

Elmer Murphy
Journal-Pioneer
Summerside, P.E.I.

Patrick Nagle
Montreal Gazette
Montreal, Que.

N. J. O'Neil
Toronto Telegram
Toronto, Ont.

Gardiner Orr
Whig-Standard
Kingston, Ont.

Bruce Phillips
Southam Newspapers
Ottawa, Ont.

Roger Phillips
Prince Albert Daily Herald
Prince Albert, Sask.

Athol Retallack (freelance)
Box 191
Whitehorse, Yukon Territory

Paul Rimstead
Sudbury Star
Sudbury, Ont.

Francis Scholes
Hamilton Spectator
Hamilton, Ont.

Jack Schreiner
Regina Leader-Post
Regina, Sask.

Gavin Scott
(now staff of Time)
Montreal Gazette
Montreal, Que.

James Scott
Globe & Mail
Toronto, Ont.

Harold Shea
Parliamentary
Press Gallery
Ottawa, Ont.

Robert Shiels
Calgary Herald
Calgary, Alta.

Andre Sirois
La Presse
1026 Rue St. Jean
Quebec City, Que.

Ken Stewart (La Presse)
Press Gallery
Quebec City, Que.

James Thoms
News Director
Station CJON
St. John's, Nfld.

Bert Trudel
Parliamentary
Press Gallery
Quebec City, Que.

Harold Vandetti
1103 River Road
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Marcus Van Steen
Brantford Expositor
Brantford, Ont.

Erik Watt
Edmonton Journal
Edmonton, Alta.

Val Werier
Winnipeg Tribune
Winnipeg, Man.

Tony Westell
Globe & Mail
Toronto, Ont.

James Whelly
Fort Smith, N.W.T.

J. L. Wild
Head of Journalism Dept.
University of Western Ontario
London, Ont.

Austin Winch
Toronto, Ont.

George Wotton
Summerside Bureau
Guardian-Patriot
Summerside, P.E.I.

Ruth Worth
Globe & Mail
Toronto, Ont.

George Yackulic
Red Deer Advocate
Red Deer, Alta.

Chris Young
Hamilton Spectator
Hamilton, Ont.

D) The following are correspondents, photographers, agencies and newspapers who received payment from TIME in 1959 or 1960 for procurement of pictures:

Abbass Studios
170 Townsend St.
Sydney, N.S.

Dave Adams
Edmonton Journal
Edmonton, Alta.

Adolphe Studio
2061 St. Catherines W.
Montreal, Que.

Dave Adono
c/o 223 Lougheed Bldg.
Calgary, Alta.

Gordon Aikman
Winnipeg Tribune
Winnipeg, Man.

Alexandra Studio
92 King St. W.
Toronto, Ont.

Hugh Allen
Winnipeg Tribune
Winnipeg, Man.

Des Allard
Winnipeg Tribune
Winnipeg, Man.

Mary Anderson
Calgary Herald
Calgary, Alta.

Apex Photos
382 Elgin St.
Ottawa, Ont.

John Arnett
The Standard
St. Catharines, Ont.

Ashley & Crippen Ltd.
196 Bloor West
Toronto 5, Ont.

John Askew
Vancouver Sun
Vancouver, B.C.

Harold Bailey
Kentville, N.S.

Sandy Baird
Kitchener-Waterloo Record
Kitchener, Ont.

Lloyd Baker
Victoria Daily Times
Victoria, B.C.

Sid Barron
Victoria Daily Times
Victoria, B.C.

Al Beaton
Vancouver Province
Vancouver, B.C.

Harry Befus
Calgary Herald
Calgary, Alta.

Jean Yves Begin
La Presse
7 St. James W.
Montreal, Que.

John Bert
Mountaineer
Rocky Mountain House, Alta.

David Bier
265 Vitre St. W.
Montreal, Que.

Harry Binsse
Point au Pic
Charlevoix, Que.

Helen Bogart
Whitehorse Star
Whitehorse, Yukon Territory

James Bowes
7816 143rd St.
Edmonton, Alta.

Bob Brooks
Yarmouth, N.S.

Jack Brooks
Vancouver Sun
500 Beatty St.
Vancouver, B.C.

Bert Burgoyne
Telegraph Journal
St. John, N.B.

Michael Burns
174 Davenport Rd.
Toronto, Ont.

Wm. R. Callahan
5 Road Deluxe
St. John's, Nfld.

Duncan Cameron
c/o Time Inc.
77 Metcalfe St.
Ottawa, Ont.

Jack Cameron
260½ Grafton St.
Charlottetown, P.E.I.

Canada Wide
261 St. James St. W.
Montreal 1, Que.

Capital Press Service
18 Rideau St.
Ottawa, Ont.

Mickey Carlton
Daily News
Nelson, B.C.

Ed Carter
c/o Garth Hopkins, News
Medicine Hat, Alta.

Ray Christensen
Times Herald
Moose Jaw, Sask.

Robin Clarke
Victoria Daily Times
Victoria, B.C.

Russ Cochrane
CKCW-TV
Moncton, N.B.

Bill Collins
Sudbury Star
Sudbury, Ont.

John Collins
Montreal Gazette
Montreal, Que.

Dave Colville
Calgary Herald
Calgary, Alta.

Commercial Illustrators Ltd.
601 Denman St.
Vancouver, B.C.

Harry Conners
Box 1149
Whitehorse, Yukon Territory

Merrill Contelon
Box 490
Wingham, Ont.

Contelon Photographer
116 Shoppers Park
West Mount
Edmonton, Alta.

Robert Crone
106 Adelaide St.
Toronto 1, Ont.

Maurice Crosby
77 Upper Water St.
Halifax, N.S.

Bill Cunningham
Vancouver Province
Vancouver, B.C.

Walter A. Curtin
386 Victoria St.
Toronto 2, Ont.

Alan Dafoe
Daily Herald
Prince Albert, Sask.

Jack Dalgleish
Windsor Star
Windsor, Ont.

Ralph Daly
Vancouver Sun
Vancouver, B.C.

Francis Davies
21 Fitzroy St.
Charlottetown, P.E.I.

Jack Denhoff
Star Phoenix
Saskatoon, Sask.

Bill Derrett
Vancouver Sun
Vancouver, B.C.

George Diack
Daily Sun
Vancouver, B.C.

Pat Dillon
24 Rankin St.
St. John's, Nfld.

Ron Dixon
Daily Star
Sault Ste. Marie, Ont.

Dwight E. Dolan
4640 Decarie Blvd.
Montreal, Que.

Dominion Wide
226 Sparks St.
Ottawa, Ont.

Ian Donaldson
The Canadian Press
Halifax, N.S.

Jerry Donati
263 Greene Ave.
Montreal, Que.

Roland Dore
622 Rue de La Riene
Quebec City, Que.

Hal Dornan
Vancouver Sun
Vancouver, B.C.

Ken Dorse
Daily Star
Sault Ste. Marie, Ont.

Douglas Paisley Studio
151 Vidal North
Sarnia, Ont.

Mike Dudowich
Sudbury Star
Sudbury, Ont.

Deni Eagland
Vancouver Sun
Vancouver, B.C.

W. B. Edwards
718 St. John St.
Quebec, Que.

Horst Ehricht
25 Cornelius Pkwy.
Toronto, Ont.

Ernie Einerson
Winnipeg Tribune
Winnipeg, Man.

Bruno Engler
c/o Time
223 Lougheed Bldg.
Calgary, Alta.

Federal Newsphotos of Canada
15 Richmond St. E.
Toronto, Ont.

Des Fogg
163-22 St. E.
Prince Albert, Sask.

Gus Flynn
Guardian Patriot
Charlottetown, P.E.I.

Rich Fraser
News
New Glasgow, N.S.

Jules Friesen
Swift Current Sun
Swift Current, Sask.

Gaby of Montreal
1869 Dorchester Ave. W.
Montreal, Que.

Graham Galloway
Fredericton Gleaner
Fredericton, N.B.

Robert Gardiner
Whig Standard
Kingston, Ont.

Gazette Printing Co. Ltd.
Box 6036
Montreal, Que.

Doug Gerrish
P.O. Box 730
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Fred Hansel
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Harvey Studios
Fredericton, N.B.

Ted Harvie
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Harry McNeill
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St. John's, Nfld.

Don Timbrell
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Vancouver, B.C.

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John Toth
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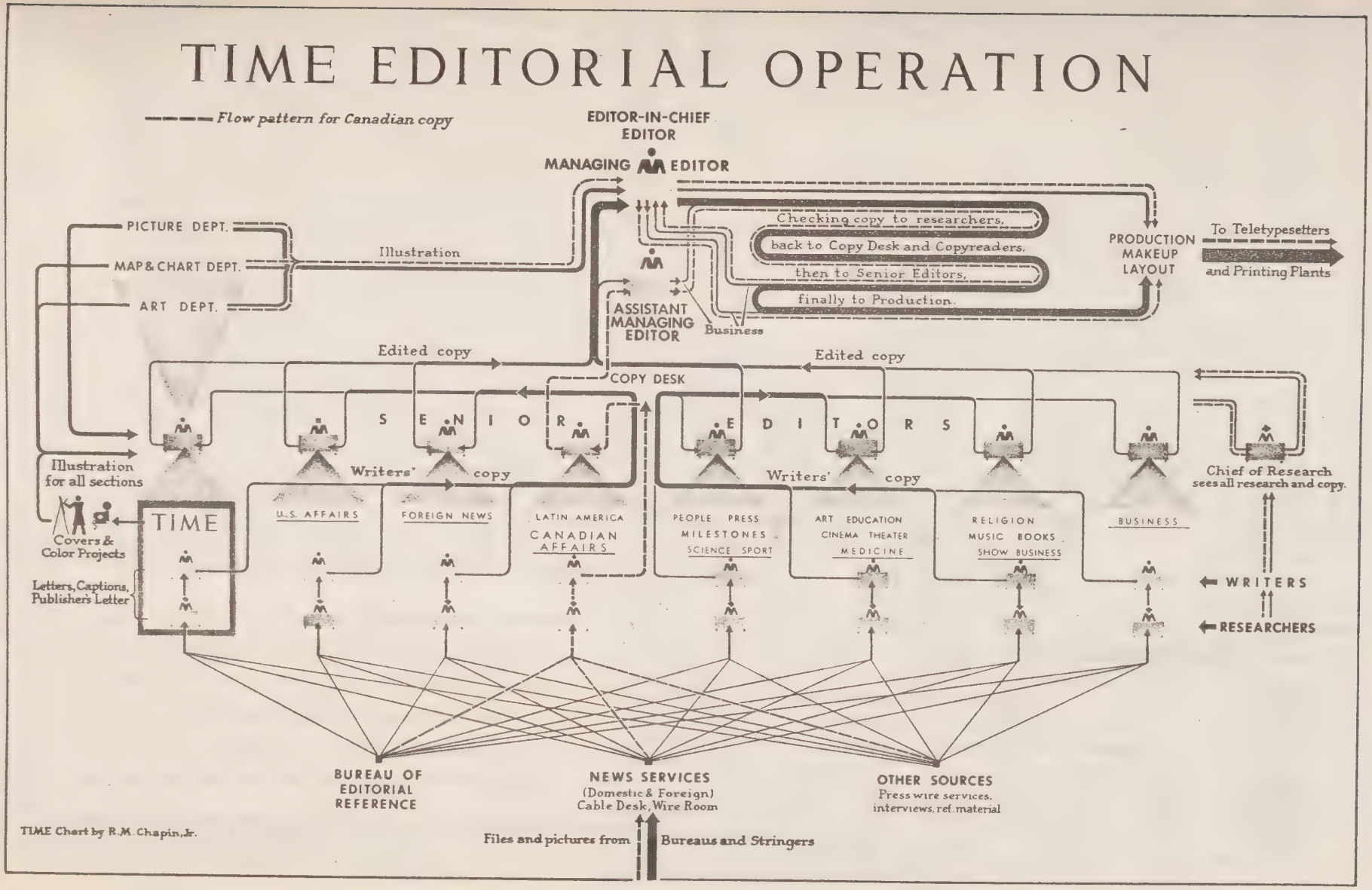
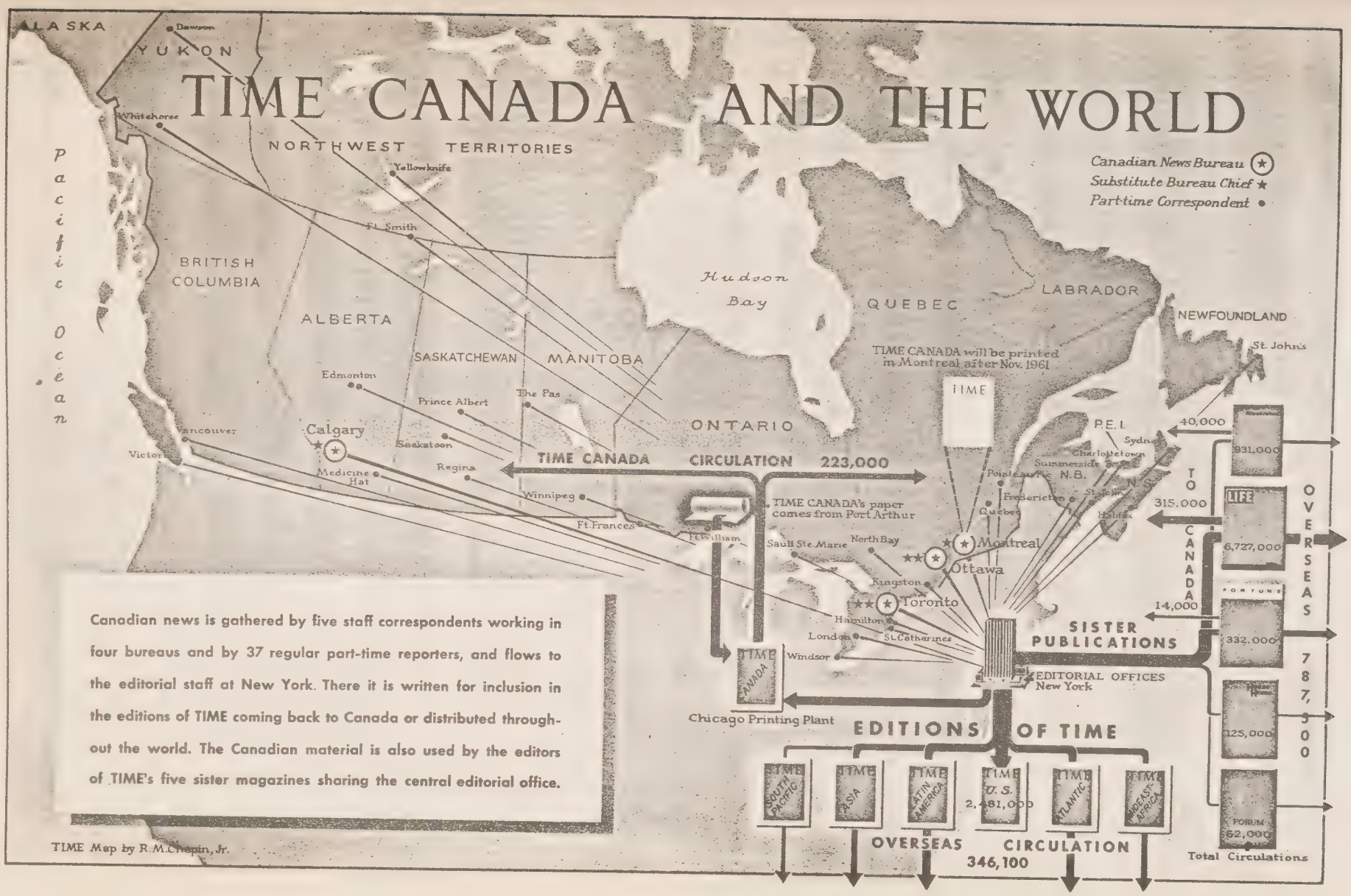
TIME EDITORIAL OPERATION



148

TIME CANADA AND THE WORLD



Canadian news is gathered by five staff correspondents working in four bureaus and by 37 regular part-time reporters, and flows to the editorial staff at New York. There it is written for inclusion in the editions of TIME coming back to Canada or distributed throughout the world. The Canadian material is also used by the editors of TIME's five sister magazines sharing the central editorial office.

TIME Map by R.M. Chapin, Jr.

Time's first submission to the Commission took it perhaps too much for granted that the integrity, scope and worth of its reporting of Canadian news would be recognized. Beginning with the questioning of Time's representative and continuing with the comments volunteered by or elicited from many other participants, the hearings have been concerned remarkably much with the editorial performance of Time's Canadian edition.

This lively testimony, some of it complimentary to Time and some decidedly not, gives evidence of Time's editorial vitality. Aside from a sweeping assertion that Time is unreliable in its facts, and obviously hostile charges that it does not attempt to be accurately fair, the criticisms, it seems to me, come down to this: That Time is not entirely, or sufficiently, a "Canadian" publication. Whatever definition is devised, it must, I think, bring into account the distinctive service that any publication provides to its Canadian readers. The nature and extent of Time's readership, as described in Chapter Two, make it quite clear that Canadians have expressed themselves convincingly as to the value of Time to them.

Time's reporting is sensitive to Canadian interests, is aware of Canadian history, culture

and aspirations as any publication in Canada, and probably more national in outlook than most. The coverage of Canada in the Canadian Affairs section is a substantial and respectable job -- in terms of any other Canadian journalistic enterprise and in terms of Time's own operations anywhere.

The Canadian Affairs section is of course akin to every other section of Time in an essential respect: the editors strive to report Canadian news with the same authority and sense of lively curiosity that inform the rest of the magazine. Time's standards in reporting Canada are precisely the same as its standards for reporting the U.S. The Canadian reporting staff is relatively larger, in relation to population, than is Time's reporting staff in the U.S. Certainly this staff reports Canadian news as intensively as their Time colleagues anywhere, and are in fact accorded a relatively larger share of space in the magazine.

The 10-to-one population ratio of the United States to Canada does not of course, control the news. Time's Canadian Affairs section of four pages is a rough equivalent of the U.S. Affairs section, which usually runs from eight to ten pages. While other departments (Art, Sport, Press) broadly cover the U.S., they also report

the news in their areas from the rest of the world, including Canadian stories of interest beyond Canada. One week the Canadian Affairs section may lose an incidental story to the back-of-the-book, e.g., Toronto Pianist Glenn Gould's suit for damages against his piano makers. Often the Canadian appearance is substantially more: on September 28, 1959, while Paul Sauve's succession to Maurice Duplessis was being reported in the hemisphere section, religion carried an important story on a new definition by United Church of Canada theologians of the theological status of Hell,and Art was given over entirely to Canadian stories (the theft of six painting from the Toronto Art Gallery, and an account with a colour portfolio, on the opening of the Beaverbrook Gallery in Fredericton).

The resources brought to bear to produce Canadian Affairs compare respectably with those of any publication in Canada. The five staff correspondents based in Ottawa, Montreal, Toronto and Calgary travelled 72,100 miles reporting the country in 1960. The 37 regular stringers are experienced newspaper men and women in communities from St. John's, Newfoundland to Dawson in the Yukon. It is the weekly report, running on an average to 62,000 words, of these 42 regular correspondents (All but two of them Canadians) and many other occasional stringers that produces the substance

of Time's Canadian Affairs report. Time does not deliberately aim to scoop the Canadian Press but often cannot help it. In the space of a few issues alone this last year, it originated fine stories, all of which Canadian Press quickly picked up, on the haunting incident of a Cape Dorset Eskimo hunter, on the late Maurice Duplessis' private art collection, and on the Seven Islands weekly newspaper, L'Avenir, and its editor, Norman Despard. These intensive reportorial efforts, supplemented as they are by photography, enlist the work of dozens of journalists besides the regular staff and stringer corps.

We would ask critics of Time's Canadian reporting, so casually ready to fault its reliability or to profess to see in it "an American slant", to examine Time's reporting on the new Bill of Rights, on External Affairs Secretary Howard Green's campaign for disarmament, on the capital punishment debate, on the Bomarc-B anti-aircraft missile, and on the upheaval in Quebec politics following Maurice Duplessis' death. The Quebec political stories, on the death of Paul Sauve and succession of Antonio Barrette, were presented with the fact and the same sort of perspective that Le Devoir in Montreal, and Toronto Globe and Mail in Toronto, provided but time alone reported to a national readership.

In the past year, Time's interested and informed awareness of Canadian cultural affairs showed in its report on such subjects as the appearance of the new magazine Canadian Literature, on Poet Charles Bruce, on Novelist Brian Moore, on Lorne Pierce and the Ryerson Press, on the publication of the Oxford Book of Canadian Verse (which quickly and, I think, not incidentally sold much of its first printing). Time may not create Canadian literature, but in the case of the young French Canadian novelist, Marie-Claire Blais, it certainly helped propagate it; it was specifically on the strength of Time's story that her strange novel, La Belle Bete, was published in an English-language edition.

The myth that Canadians are dull and uninteresting is as old as the Laurentian hills. I suspect it is also a Canadian invention. Bruce Hutchison thinks that the national character has somehow been withdrawn against the cold (and in his favour there is, of course, the schoolboy chant: "What care I for snow and sleet, my tummy's full of cream of wheat"). And no less an authority than Professor A.R.M. Lower is responsible for the judgment that "we Canadians are a worthy, thrifty people, perfectly safe and constituting no problem to the countries in control of our destinies; we

are therefore uninteresting." Messrs. Lower and Hutchison are dangerous men to dispute, but I am confident that they might be inclined to a more charitable view were they to spend a few weeks sitting in on the editing of the Canadian edition of Time. It is hard for me to see how anyone could immerse himself in Canadian affairs, as does our Canadian staff every week, and go away unconvinced that Canada, the land and the people, is a place of eminent interest and vitality.

To describe how the Canadian Affairs section is produced is rather like trying to describe the production of a daily newspaper. There are a number of constant guidelines, and all too many deadlines, that shape the editorial week, but beyond that -- as on a newspaper -- the direction of our work tends to be as unpredictable as our principal commodity, the news. Perhaps the most meaningful approach is to sketch the work of a particular week; for no reason other than that was the week when I sat down to prepare this report, I will talk about the week of December 13 to 17. For one thing, this was the first week this winter that the snow flew in New York, and for those of us who spent an inordinate part of the week hung up in snow drifts waiting for delayed commuter trains, the inspiration was as Canadian as all outdoors.

The week began, according to our regular schedule, with a conference in Senior Editor George Daniels' office, the center of the Canadian section in the Time and Life Building in New York. The conference will serve to let me introduce the cast. It includes the three writers assigned to the section, nearly all of whom in my four years in New York, have either been Canadian or had a strong Canadian background; four researchers, one a Canadian and all specialists in Canadian affairs; a researcher from each of the picture and map departments; and an assistant chief of Canadian correspondents, whose working Canadian background includes three years as Time's bureau chief in Toronto and six as a Canadian Affairs writer.

Before conference, the writers will have done spadework, drawing up a tentative story list for the week. Going into the conference, each of us is armed with copies of the 30 to 40 story suggestions proposed by our Canadian staffers and stringers every week. More often than not, we also have in hand specific story suggestions from Time correspondents around the world who keep a continuous watch for Canadians making news (among other recent examples, Time Foreign News Service correspondents provided stories on Canadians in the Congo, the Chatham Maroons on tour in Russia, and on the leading part Canadian

television directors are playing in British TV).

This primary source of suggestions is thoroughly supplemented by a mass of background sources; the Canadian Press wire comes directly into our office; we enjoy, if that is the word, a heavy flow of Hansards and D.B.S. reports, texts of speeches and public relations releases from Montreal and Toronto, the learned and little magazines from the Canadian Journal of Economics and Political Science to Fiddlehead, all the new books and any old ones we may ask for, as well, of course, as 15 Canadian daily newspapers -- altogether a reading list so formidable that it would be idle to pretend we manage to get through it all.

From all these sources, we draw together a story list of usually a dozen candidates (in pace with the news, this list more often than not goes through several convulsions in the course of the week). The stories are then divided among the writers and researchers, who dispatch detailed queries to the correspondents requesting full research. This week, that is to say the week that I did this report in December, our starting list covered this range: a thoughtful "mood of the nation" lead reported by Ottawa correspondent Gavin Scott, perceptively drawing together reflections of a fresh wave of nationalist sentiment across the land;

a Christmas story from the Gaza strip on Canadian troops who had decided to give a maternity hospital to the destitute Arab refugees who are their neighbours; a detailed story on Canadian-Cuban trade; a report summing up (for Time's press section) the hearings before the Royal Commission on Publications; stories on Canadian Pacific Airlines, the state of the housebuilding industry, Premier Bennett's feud with Ottawa on financing of the Columbia River project, upcoming Montreal Politician Lucien Saulnier, the opening of Quebec's new Port Cartier railway, on U.S. Businessman Robert Morse's application for Canadian citizenship, on Hamilton's efficient Mayor Jackson, the banning of Hugh MacLennan's Barometer Rising in Manitoba schools, and on the long awaited first volume of Professor Graham's biography of the late Arthur Meighen.

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Researching our stories as accurately and comprehensively as diligent reporting allows, we only occasionally are able to rely on a single correspondent to produce the entire research. More often, elements of the story require tracking down elsewhere. For our housing industry report, attempting to assess the significance of the government's new housing bills, correspondents talked to government officials and builders in Ottawa and Toronto. The Cuban trade story required no fewer than 17 queries - to Ottawa, Washington, Havana, London, Paris and other points.

While the queries are going out, the researchers canvass TIME's reference library - one of the finest in journalism - for background already in hand, and the researchers also make whatever arrangements may be fruitful for reporting the story in Manhattan (as in the case of many Canadian trade, business and show business stories and our reporting of the Canadian United Nations delegation in New York). Not all the writer's early work consists of egging others on: again for the Cuban trade story, Writer Sam Halper, regularly working on Latin American news but handling this one for the Canada section, spent the best part of two days interviewing Manhattan bankers, and knowledgeable Cuban and non-Cuban sources. Otherwise, for the writers, the 24 to 48 hours before the files from our correspondents arrive provide free time to read on the background of the specific stories, or simply generally in Canadian affairs or

to indulge that rare luxury in journalism - time to think. For myself, I spent the better part of the two days poring over briefs presented to the Royal Commission, a salutary experience that could hardly fail to renew my respect for the stamina of Royal Commissioners.

Thus the writers, when they finally set themselves to do the writing, have before them the results of their own thought and researches, and a file of many thousands of words from our Canadian reporting staff. As their first stories flow through the editing process, the researchers pick up the stories again. It is their function not merely to check the finished story for its overall fidelity to all the information we have turned up, but specifically to dot every word of the story as an evidence that they are satisfied that it is provably accurate. By phone and wire, a stream of cross-checking queries flows out to establish our accuracy.

The week's final product produced several good examples of our editorial capacities, notably the stories on Canadian nationalism and Cuban trade, and unfortunately of one of our limits. For a Christmas story, we had set high sights on the story - suggested by a brief Canadian Press item - of the Canadian troops' gift to the Gaza refugees. We first queried Jerusalem, where our correspondent arranged for a Canadian officer to cross into Israel with details of the story; the plan fell through

when the officer was refused Jordanian permission for the crossing. Then we threw the problem both to Beirut and Cairo, and our Beirut staff correspondent arranged to get an eye-witness report from the scene. The only difficulty was that the story finally arrived one week too late for Christmas - although we ran it anyway as a happy story for the new year.

As one week ends, the next starts, and our Canadian cast reassembles to consider fresh suggestions and prepare a draft story list for the week ahead. We are a fary cry from The Canadian Authors Meet, and even if we thankfully remind no one of that particular Canadian classic in any other way, we can at least say "...the air is heavy with 'Canadian' topics."

Paul Hurmuses, a Canadian, a graduate in journalism of San Jose State College, California, and a former member of the staff of Canadian Press and the Edmonton Bulletin, is chief of TIME's Toronto bureau. He was a stringer for TIME in Athens before joining the staff as a correspondent assigned to the Hong Kong bureau for three years. Here he reports on TIME's overseas news operations:

In my half-year back in Canada, the magazine has presented a wide variety of stories in the Canada section that have been the result of the efforts of correspondents, both staff and stringer, in a number of countries and world capitals. To name a few: Singapore, Kuala Lumpur,

New Delhi, Karachi, North Borneo, Havana, Ankara, Leopoldville, Rangoon, Moscow and Beirut.

We reported Canada's Department of External Affairs and Canada's Colombo Plan operations in the past year. We have reported Canadians in the Congo and elsewhere abroad; one, a student in Indo China, was tracked through three countries - Vietnam, Cambodia and Laos - by our Saigon correspondent, Jim Wilde, who happens also to be a Canadian.

As a foreign correspondent I was assigned, on behalf of The Canada section, to follow John Diefenbaker from Kuala Lumpur to Singapore and Djakarta, to report the murder of a Canadian diplomat in Saigon, to cover the Canadian withdrawal from the International Control Commission in Laos, to report the Canadian government's efforts to sell wheat to Red China.

This steady effort by many hands represents a major investment in time, effort and money to provide Canadians with an overseas report second to none. Of the 200 staff and stringer correspondents in TIME's Foreign News Service, which covers the world except for Canada and the U.S., at least 110 covered Canadian stories during 1960.

We have for the Commission two examples of the way in which news is gathered for TIME.

The first of these exhibits, Mr. Chairman, consists of the material received from TIME's correspondents around the world as research for the

January 11, 1960, cover story on the world population explosion. Unquestionably, this was an ambitious piece of reporting, writing and editing, as noted in this passage which I would like to read from the Publisher's letter of that issue:

"To produce a comprehensive study of the population problem would take a single able writer or reporter months, perhaps years of work; to assemble the statistics on the latest results of the explosion would by itself cost him weeks of research in half-a-dozen libraries and Government bureaus. But at a signal from the editors, TIME correspondents in 48 countries began gathering the most up-to-date figures for their areas. And along with the figures came the distilled thinking of some of the world's most eminent students of the problem. From England, Correspondent Herman Nickel reported the opposing views of Sir Charles Darwin and London University's Professor J.D. Bernal, Britain's chief exponent of the Marxist view of population. In Tokyo, Bureau Chief Alexander Campbell and Correspondent Frank Iwama sounded out Experts Minoru Taji and Tatsuo Honda of Japan's Population Problems Research Institute.

"TIME's correspondents were aware of what the statistics and theories they reported meant in human terms. From Hong Kong, Bureau Chief Stanley Karnow could report with authority on the attitude of Red China's bosses toward birth control,

including their brief experiment with the most unconventional oral contraceptive ever advocated by a 20th century government. In Brazil, Correspondent Jayme Dantas traveled four hours out of Rio de Janeiro to confirm with its proud sire the existence of a single-family population explosion of 36 children.

"But reporting - even first-class reporting - does not by itself make a TIME story. It needs a writer with time to generalize and reflect; an editor with the knowledge to guide and moderate. The story that finally went to press, written by Robert C. Christopher and edited by Thomas Griffith, analyzes the population problem in 4,000 words. It is the product of an arduous and expensive month for scores of top-flight journalists, a method for producing news coverage that is as authoritative as it is timely."

The second exhibit consists of the editorial files for the seven stories that made up the Canadian Affairs section in the issue of November 14, 1960. Apart from reference works that cannot be duplicated, these folders contain the correspondents' dispatches (totalling about 28,000 words), newspaper clippings, Canadian Press copy and other printed materials available to the writers for the preparation of their stories. As assembled they illustrate some parts of the process we have described.

The several versions of each article show

the stages of writing, rewriting, editing and checking, initials indicating responsibility for editing and for researchers' factual verification.

--- EXHIBIT NO. O-133: Material for publication of an issue of Time magazine.

--- EXHIBIT NO. O-134: Bundle of reporters' stories.

To conclude this review of Time's methods of reporting and writing Canadian news, it is appropriate to recall that the Commission has received evidence on this subject from witnesses who are not only experienced in editorial work but have had intimate knowledge of Time's operations as members of its staff.

Stuart Keate, publisher of the Victoria Daily Times, formerly an editor and correspondent for Time, said: "On the point of inaccuracy: I can only say that I know of no other publishing venture that spends as much money attempting to be accurate as does Time, Inc. It is a fact that each word in that magazine must be checked by a highly trained staff of researchers. They make mistakes, because they are human. But it is literally true -- as I can testify from personal experience -- that this firm will telephone across the continent, before the magazine goes to press, in an attempt to determine whether a politician's eyes are brown, or blue -- or, in one case that I know of -- both. The measure of Time's success in this field, I suggest, is the inordinate glee Canadians express when they catch them out in some hopeless blunder." That is the end of Mr. Keate's remarks.

Edwin Copps, manager of Realm News Services Limited and a contributing editor of

Saturday Night, formerly an editor for Time, said: "... although remarks have been made about Time's accuracy and Time's integrity editorially, I want to put on the record my own view of Time after being inside the organization for many years. There is no publication, I believe, on earth that makes a greater effort in terms of expense, research, time and integrity to be accurate, to be fair, and to be honest. I realize that sometimes mistakes are made; they are made in every publication as you gentlemen know. I think it is a tribute to Time that when mistakes are made they are particularly annoying because the reputation, the background of the magazine, the obvious effort that goes into it make the error all the more aggravating when it is found. It is rather like finding a flaw in a diamond."

Thank you.

THE CHAIRMAN: Thank you very much for your presentation. I think we will recess for luncheon and return here at 2.15.

MR. LAYBOURNE: Mr. Chairman, may I point out a very brief passage of the text remains unread. Would you like to have us begin after the luncheon recess with that?

THE CHAIRMAN: Yes.

MR. LAYBOURNE: After the recess?

THE CHAIRMAN: After the recess.

---Whereupon the hearing adjourned at 12.30 p.m.

--- Upon resuming at 2.15 p.m.

MR. PITFIELD: Mr. Alexander.

MR. ALEXANDER: Mr. Chairman and members ...

MR. PITFIELD: Excuse me, would you identify yourself for the record?

MR. ALEXANDER: My name is Roy Alexander. I am editor of Time.

In view of some of the myriad suggestions and comments made to the Commission respecting the editorial production of Time's Canada Edition, it is necessary to outline to the Commission the editorial processes that go into the weekly edition of the weekly newsmagazine. I intend to do it quite briefly. In this connection I invit . the attention of the Commission when it has time to the chart of the Time editorial operation which gives the reasonable pictorial review of how the place is organized.

The account that follows was written by Roy Alexander, Editor of Time, for 10 years (to March, 1960) its Managing Editor.

At its beginning more than 37 years ago Time instituted a new approach to the news, a new technique in reporting it. Within the capabilities of its staff, there would be none of the anomalies that are forced, for instance, upon the daily newspaper, with its great volume of daily finished copy, its short time-span between editions.

Because of the time factor, there would be no baffling of the reader, by an editorial that said one thing while a news story in the same edition said another. There would be a minimum of repetition in a single edition; ideally, there would be none at all. There would be no sports-page cheering of a hero who on page one was being proved a rascal. The same day there would be no story out of Washington that blatantly contradicted a story out of London or Paris or Ottawa.

To achieve unity in the reporting and interpretation of the news, to carry its weekly report effectively to the readers, Time also needed a somewhat different approach to news writing. The story had to be clear, understandable, memorable and it had to have within itself the essential facts. And the magazine had, over the breadth of each issue, to cover the whole broad spectrum of the news, from the events of the week in the world's capitals to the news of medicine, science and religion, to reviews of the significant books of the week. All this had to be done within an unusually tight compass -- 40-odd pages which also had to be appropriately illustrated. Growing out of this came a kind of writing known, somewhat inaccurately, as Time-style to observers who fancied Timemen writing to rigid formula. Actually the style in which Time is written is a product of function, of

time to refine, restate, and compress. The ideal Time story has few wasted words, does not roam into irrelevancies, is, in the jargon of the newspaper local room, "written down", but is never opaque, is never hard to read, never short of the essential fact or circumstance, or characterization of the essential human figures in the event, never wasteful of the reader's time or of the space within which the news must be told.

To achieve these things is the responsibility of many men, from reporters at the beginning of the process, through the writers and Senior Editors, But the man who is ultimately responsible for drawing all the threads together, from first discussion of the story to its final editing, from first suggestion for pictures to the illustrations that run in the magazine, is the Managing Editor. And beyond his professional experience and ability, beyond the skill and devotion of his staff in the achievement of his weekly goal, the key to his success lies in his capability of instant conversation with his staff -- all his staff.

Contributing Editor John Scott of Time has described (in Chapter Five) how a story is originated, how it is developed by field reporting and research, and how it is written. Through the whole of that process the specific directing editor

is the Senior Editor -- see chart I might say here -- of whom Time has seven in charge of sections of the magazine. The Senior Editor is in constant conference in the early part of the week with his writers and is also in close touch with the Managing Editor, with whom he daily reviews schedules and plans for the specific handling of stories.

The achievement of the close communication, the continuing dialogue if you like, that marks the operation of Time, is no formal thing. There is a minimum of memos, if one excepts the two- or three-word notes scrawled upon copy paper. But all Time editorial doors are open, from the Managing Editor's on, and so there is steady conversation, in offices, in corridors, at lunch, on the news and its presentation. Out of this daily dialogue comes agreement on the news -- on the book review, on the week's developments in The Congo, on the political manoeuver in France, or the bill that failed of passage in the Congress. It is the agreement of men armed with sound background and sound reporting; it is not imposed from above. The Managing Editor can be talked out of an early conviction just as a writer can be, if the information is persuasive.

In the handling of the writer's copy, there are two levels of editing, roughly known in our office as senior-edit and top-edit. The first

to edit the copy of the writer (who has already gone through his own selection and editing process) is the Senior Editor. He may find the story completely satisfactory and send it along to the copy desk. He may find it necessary to cut and refine. He may, if major changes seem to him required, go around to the writer, tell him what he is after and sit down and wait for a new version. Whatever the details of the operation, the story, upon which checking has already begun, goes next to the top-editor.

With some exceptions, which I will come to in a minute, to be noted later, the only top editor is the Managing Editor. He puts the final touches on the story and, like the Senior Editor, he may call for still another rewrite or wholesale revision, outlining what he wants to Senior Editor or writer, or both. When he has done with the story it is off for the rest of the checking process, for one more reading of final copy (known in Time parlance as the "yellow") by the Senior Editor, and then on to the printer.

The exceptions to the process just outlined are four sections: Canadian Affairs, Latin America, The Hemisphere, Business. By the end of World War II, the volume of copy for Time had grown to such proportions that the Managing Editor was hard put to give speediest handling to it all -- especially

as copy, in Time as in all editorial establishments, tends to bunch up toward deadline. And so the copy of these four sections, already edited by Senior Editors, was sent for top-editing to the Assistant Managing Editor. Thus C nadian Affairs, The Hemisphere, Latin America and Business are twice top-edited, for they go to the Managing Editor near week's end for his handling at that time. By then he is out from under the heaviest part of his load and can give the four sections such further attention as is indicated. This can and does include substantial revision, and rewriting where necessary.

The managing editor's complete and detailed command of the news stories in Time imposes the most intense demand upon his time and his talent as newsman and executive, but it is by no means the sum of his command functions. As already noted briefly, he is in charge through the week of all the illustration in Time, works daily with the picture people in conferences as needed, and near week's end, in a meeting of 90 minutes or so, he selects the photographs to run in the magazine. He is also consulted on and subsequently checks the makeup of every section of the magazine, and he frequently revises it,almost always, actually.

All the colour illustrations and all the maps and charts similarly are reviewed by him before

they are laid out for the magazine, and in them, as in black and white illustration, the finished production in the magazine bears the imprint of the M.E.'s early suggestions and subsequent revisions -- both. He is deep weekly in the selection of forward subjects, from news colour spreads to the weekly cover; no cover goes from artist to Assistant Managing Editor to printer before it is approved by the Managing Editor, and in this field too, he can and often does exercise his function of directing changes for better editorial effect.

It is because of this editorial process, refined and strengthened through the years we think, that Time expects so much of its Managing Editor and gives him such broad authority and responsibility. And it is because of the sweep of his functions that over the years the M.E. has delegated authority and responsibility to his staff. As the success of the magazine shows, M.E. and staff make up what the good soldier I think would call a good outfit. And like any good outfit with a unified mission it must work in closest dialogue, with speed, accuracy and the greatest flexibility. All these and many other functions would be impaired and some would be destroyed were the Time editorial staff scattered and out of the reach of the Managing Editor.

THE CHAIRMAN: Thank you, sir.

Mr. Laybourne, would Mr. Luce wish to make a statement?

MR. LAYBOURNE: Mr. Luce is prepared to speak very briefly in an impromptu fashion without text. Perhaps this would be a good time.

MR. LUCE: Mr. Chairman, first of all I would like to take this opportunity of expressing for myself and my colleagues our appreciation of this opportunity to be here and to present such a full, and I hope not too exhaustive a presentation of Time news magazine.

I understand that the presentations before the Commission are complicated and ramified and some rather obtuse.

What I would like to do is say something as simply as possible. I would like to try and state what it is we think we are doing in publishing Time in Canada. In our view we are rendering a service to the 200,000, more than 200,000 Canadians who buy Time, either by subscription or on the newsstands. Through them and the people who read Time, we believe we are rendering a service to Canada as a nation. The word "service" I do not use idly. It goes to the essence of Time magazine.

It is going on 40 years ago that this magazine was started in the United States. It was started for quite a specific purpose, which was

stated at that time as follows: The purpose of Time is to keep educated men and women well informed". That was the single purpose we had in mind and it is to that purpose that we have devoted our efforts in these years.

Now, for many years it is true there were not a great many citizens in the United States who took advantage of the service we were so eager to render. As the years went on more and more did, and then as the years went on further people in other countries, in fact, in practically all the countries in the world found that Time rendered them individually a certain service.

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MR. LUCE: There was no country where proportionately more of these people were to be found than in Canada for, more or less, natural reasons of geography and language and so on; and so Time presently came when it seemed quite natural. You heard part of the history of it in general terms. It seemed quite natural that we should round out the service to Canada by having a Canada section. We have a basic Time which goes all over the world and to that, for our Canadian subscribers, is added this Canadian section. This is why I would like to keep this as simple as possible. We believe that our whole intention is rendering a service to our subscribers and in the case of Canada that is 200,000 more people of a type that you have heard described and we believe that through them the service is rendered to the development of the Canadian nation. I realise that that does not respond to the whole of the question which is before you, but, perhaps I could speak to that later on, if it is your wish.

THE CHAIRMAN: You will be here when we finish the questioning of the others?

MR. LUCE: Yes, sir.

THE CHAIRMAN: Now we will take Mr. Laybourne.

COMMISSIONER JOHNSTON: Mr. Laybourne, I suppose I could have asked you this question out in the corridor just as well, but I forgot. Some days

ago, I asked and I think the Secretary forwarded to you a request that we get a list of advertisers in Time, Canadian Time, up to December 31st, along with the names of the advertising agencies.

MR. LAYBOURNE: I posted that letter in the mail. I believe it was the first thing Monday morning. Signing it was one of the last things I did before leaving to come up here at 11 o'clock.

COMMISSIONER JOHNSTON: Is that U.S. Mail or Canadian mail?

MR. LAYBOURNE: Canadian mail -- Toronto's best.

COMMISSIONER JOHNSTON: I wonder if you could tell me the proportion of Time's total circulation in Canada, in 1943, compared with the total circulation in the United States?

MR. LAYBOURNE: I can't offhand. I do not have the figure of the U.S. circulation of that date. Does anybody here have it, for 1943? May I have permission to find that and get it for you?

COMMISSIONER JOHNSTON: Yes. Let us have it.

MR. LAYBOURNE: Yes.

COMMISSIONER JOHNSTON: I think you were in the room in Montreal when Mr. -- I have forgotten the name of the gentleman from Newsweek, but they showed their Canadian circulation had remained about the same through the years, in percentage of total circulation? Do you recall that?

MR. LAYBOURNE: Yes, sir.

COMMISSIONER JOHNSTON: I have often wondered about the readership of the Canadian section. I have done a little research myself among my friends and acquaintances and I find that some of them read it and some of them say they glance at it, This survey of yours indicating a 90% readership -- how thorough was it?

MR.LAYBOURNE: It was a poll on a random sample of new subscribers. But, let me find the exact...

COMMISSIONER JOHNSTON: You will find it on page 2 of your brief.

MR. LAYBOURNE: And supplemented on page 10. In the first half of this past year, 1960, we sent questionnaires to 2,995 and 1,619 were returned. The others did not choose to answer it. In the same period, or in a period of 1959, the second half of 1959, we sent out substantially more - 7,882, and got replies from 4,638.

COMMISSIONER JOHNSTON: Well, you say these went to new subscribers. Would they be experienced Time readers, these new subscribers?

MR. LAYBOURNE: Many of them may well be because of buying Time on newsstands, or reading it in a pass-along copy from someone else. Many, no doubt, are quite new, buying a copy on the newsstands and then sending in a card to get the magazine mailed to them for 27 weeks, or something of that period.

COMMISSIONER JOHNSTON: You say also on page 2 that Time has now reached a firm and stable place in the magazine industry of Canada. Are you implying there that Time is a Canadian magazine?

MR. LAYBOURNE: We feel that Time is, in many respects, a Canadian publication in the sense that it has an identifiable Canadian readership, has an identifiable Canadian news, identifiable Canadian advertising. In that sense, Time functions in Canada as a Canadian periodical.

COMMISSIONER JOHNSTON: Who owns it?

MR. LAYBOURNE: Time Incorporated.

COMMISSIONER JOHNSTON: Where are they?

MR. LAYBOURNE: The head office is in New York City.

COMMISSIONER JOHNSTON: The Canadian section is edited from New York?

MR. LAYBOURNE: Yes, as Mr. Scott has described.

COMMISSIONER JOHNSTON: Do you think -- perhaps Mr. Luce would expand on this thought. Do you think that a magazine domiciled in Ottawa, say, can be edited for readers in New York?

MR. LUCE: I am afraid that I don't quite understand that. Do you mean pragmatically? We would not be here. You would not have Time if, in fact, the magazine called Time was not after circulation in Canada. So, it is being done. I mean, is there an essential impropriety about it?

THE CHAIRMAN: I think we are going to get this all mixed up. Mr. Luce will be on in due course and Mr. Johnston can ask him the question then. In the meantime, we will stay with Mr. Laybourne.

MR. LAYBOURNE: All right, Mr. Chairman. You did address that question to me also, Commissioner Johnston?

COMMISSIONER JOHNSTON: That is right.

MR. LAYBOURNE: And my answer would be that a magazine can be successfully edited in Canada to circulate anywhere in the world. That is my judgment.

COMMISSIONER JOHNSTON: Could you edit an English magazine for England, for Britain, in Canada and have it accepted in Britain, as a British magazine?

MR. LAYBOURNE: I think if you worked hard enough at it, if you were skilful enough in advertising the material through your own correspondents and if you kept in touch with English affairs, it is quite possible to deal with English affairs from above.

COMMISSIONER JOHNSTON: In the articles you have submitted, and this is getting a little bit off the point that I was talking about, you show in the year 1960, the latter part of the year, a number of Canadian stories. So far as I know, they are good stories. I have no objection to them; but, I have been wondering, looking them over, why it was that when the Prime Minister of Canada made an

important speech, important to us, important to Canada, before the United Nations, why Time in its Hemisphere section or somewhere did not report it? At least, I have not been able to find it.

MR. LAYBOURNE: I suggest that question be directed to Mr. Scott or Mr. Alexander who have that as a responsibility. I don't.

COMMISSIONER JOHNSTON: Perhaps the Secretary will keep track of the questions that are to come from them.

MR. LAYBOURNE: That is why they are here, Mr. Johnston, because they are competent to answer that kind of question.

COMMISSIONER JOHNSTON: I have been quite disturbed ever since you and I met before, Mr. Laybourne, about my statement that anything I knew about in Time I found that it was apt to be wrong. I do not like making extreme statements and that was one. At the same time, I find that other people think I was right and I find a book called "Name and Address" that seemed to encourage me in my erroneous belief.

Now, just this week I picked up Time Canada, dated January 13th, an obituary on one of our great men, The Right Honourable C.D. Howe, and it seemed to me that there were a number of minor errors that indicated that your editors in New York are not sufficiently steeped in Canadian affairs, properly to edit the Canadian section. For instance,

you say that Mr. C.D. Howe put the Nation's railroads on their feet. Now, when Mr. Howe arrived in Halifax first, he probably rode on the Dominion Atlantic Railway. The big Government railway of this country is the Canadian National Railways. These are small matters, no doubt. I know what a railroad is. I have worked on one. But, this indicates that people in New York are so steeped in what goes on in New York and the United States that they do not get these nuances that, in the aggregate, are quite important to the Canadian reader.

You say here that Mr. C.D. Howe put the Canadian railways on their feet. "Howe put the Nation's Railroads on their feet by reorganising the debt-ridden C.N.R." Well, there was a reorganisation of the financial structure of the C.N.R. some years ago which put some of the C.N.R.'s debt permanently into the national debt, but that was a matter for the Department of Finance more than Mr. Howe, I think, and it does not mention the other railway which is important in this country, and it does not mention the fact that at this very moment there is a Royal Commission trying to find out what is wrong with our railways. We always have something wrong with our railways. You are giving Mr. Howe the full credit. He did not fix it.

Another minor matter that would cause a Canadian reader to stumble a little bit -- you mention that Mr.Howe's office was in the Canadian

Steamship Office Building. I believe what you meant was the Canada Steamship's and your contributing editor, who is not so long out of Montreal, probably knows the building quite well.

In your questionnaire on Canadian readership, page 11, you do not tell us what else the readers of Time read beyond the Canadian section.

MR. LAYBOURNE: I will be glad to provide that to you if you want a full table.

COMMISSIONER JOHNSTON: Thank you. On page 12, you mention that the advertising tax was an adverse factor in your revenue in 1957 and 1958. I have in front of me a graph produced by the Magazine Advertising Bureau from the United States, which seems to show that the advertising revenue in the United States dropped in 1957 and 1958 and that drop could not have been due to the Canadian magazine tax. I will pass this over to you if you would like to see it.

MR. LAYBOURNE: The economies of Canada and the United States do not always move in precision simultaneously with one another. I do not think that what is true in one country is necessarily true in the other. I think that is the only comment I can think of on that.

COMMISSIONER JOHNSTON: All right. It is a curious coincidence that they both dropped at the same time, one because of the tax and one because of the economy.

On page 20 you say "since advertisers would then be buying --" perhaps start a little earlier. "In the absence of a Canadian edition, Time would service its Canadian readers with the U.S. edition. Since advertisers would then be buying both American and Canadian circulation of Time, they would have no need to incur the additional expense of space in Canadian magazines which had not been used for their products in the past anyway."

Now, you are getting into the matter of overflow advertising and the advertising agencies in their first appearance before this Commission led us to believe they did not consider the overflow factor of any importance whatsoever. Are you suggesting that if Time did take overflow from the U.S. it would be much more effective advertising than say the overflow from the Saturday Evening Post or Newsweek?

MR. LAYBOURNE: No. I wouldn't think it would be more or less effective. In our original

submission, Mr. Johnston, we expressed the feeling that overflow advertising in U.S. periodicals did tend to reduce the demand for magazine advertising in Canada. It tends to.

COMMISSIONER JOHNSTON: I think probably this is a record day. I think this is the first time you and I have agreed.

MR. LAYBOURNE: May there be more.

COMMISSIONER JOHNSTON: On the same page 20 in your brief, the next paragraph you suggest that the withdrawal of Time from Canada, Time Canada then would have the effect of weakening the Canadian consumer magazines. I wonder if you could expand on that thought a little.

MR. LAYBOURNE: The advertisers, in my experience and my observation, have a problem of deciding among many alternative ways of getting their messages across. They have newspapers, both daily and weekly. They have television and radio and outdoor advertising, billboards and indoor advertising in the form of streetcars. They have direct mail in which they can employ their own resources and their own mailing lists and do a rifle shot job of advertising in the mailing piece and they have also periodicals and magazines.

Magazines can give something a bit different to advertisers than does the newspaper or than does television. It advertises a different kind of paper, a different kind of capacity to use colour;

more permanent life of the periodical in which this advertising appears; so that magazines, as a class, offer a special kind of way in which the advertisers can direct his message.

Now, newspapers also have special features. Television requires another kind of approach to the creation of advertising.

Well, advertisers must incur expenses in preparing their material for whatever media they choose to use and those expenses can be considerable in artwork; in colour reproduction. For instance, the four-colour plates which are required for the production of advertising in four colour so that the advertiser is put to or puts himself to considerable special effort to use magazines.

By the same token if he decides to use television he puts himself to a great deal of special effort to create the kind of advertising that can go into that medium; so it is our belief that the magazine field must be strong enough in terms of numbers, in terms of variety of readers, in terms of variety of editorial concept and material that it is this breadth, this range of audience, that magazines generally give advertisers a chance to talk to. It is that range of breadth and depth that makes magazine advertising attractive to him.

Well, it is our feeling that if you subtract from the number of periodicals or if there is subtracted from a number of periodicals one or

two magazines of a special kind that reach the audience, which in most respects is different from and in some respects overlaps with other magazine audiences, you are thereby taking part of the base away on which the advertisers can build sensibly an advertising programme and invest his preparatory expenses in making ready to use that kind of medium.

In our judgment if the magazine field is weakened, the other media becomes that much more attractive by comparison; that much more worth his concentration by comparison with the weakened field.

COMMISSIONER JOHNSTON: Mr. Laybourne, are you not saying that if Time Canada is eliminated from Canada that nothing would take its place; no other magazine; no other Canadian magazine? I just looked at our terms of reference. We are supposed to recommend something that will contribute to the further development of the Canadian identity through a genuinely Canadian periodical press.

If Time is interfering with that development maybe there will be several other magazines arise?

MR. LAYBOURNE: I would certainly hope so.

COMMISSIONER JOHNSTON: That is fine.

That is all I have.

THE CHAIRMAN: Mr. Laybourne, what exactly is "Time Canada" in Canada? Do you own property in Canada?

MR. LAYBOURNE: No real property, no sir.

THE CHAIRMAN: You have no real estate?

MR. LAYBOURNE: No real estate, no sir.

THE CHAIRMAN: No printing press?

MR. LAYBOURNE: No.

THE CHAIRMAN: No plant?

MR. LAYBOURNE: No.

THE CHAIRMAN: No buildings?

MR. LAYBOURNE: No.

THE CHAIRMAN: Well now, at the bottom of your magazine you make a curious statement here. You say that Time Canada is published in Montreal in the Sun Life building.

Have you looked up the dictionary to see the meaning of publish and publication? Publish means something, a book, a magazine, a publication issued from a particular place. Are you saying that you issue Time Canada from Montreal? That is what you say here. You say "Time Canada edition is published weekly by Time International of Canada Limited, Sun Life building, Montreal". Is that an accurate statement - if I understand this language.

MR. LAYBOURNE: The Sun Life building is the legal head office of the Canadian company.

THE CHAIRMAN: Yes, but that is something entirely different. You could say that of any office anywhere. It may be in Chicago or anywhere else but the actual fact is that Time Canada owns no property

in Canada, owns no buildings, no plant whatsoever; your accounting is done in New York - that is true.

MR. LAYBOURNE: Yes.

THE CHAIRMAN: All your books are there.

MR. LAYBOURNE: Most, yes.

THE CHAIRMAN: That is what we thought yesterday. All your bills are paid in New York. All your invoices are sent from New York. All your accounting is done in New York. All your news is sent from Canada to New York. It is processed there. It is edited there. It is sent from there to Chicago to Michigan Avenue. The magazine, Canada edition, is published actually in Chicago.

MR. LAYBOURNE: Yes sir. It is printed there.

THE CHAIRMAN: I would think this term "published" would be more meritorious there than the Sun Life building in Montreal. It is mailed from there to the Canadian subscribers. Is that right?

MR. LAYBOURNE: Yes sir.

THE CHAIRMAN: Mailed from Chicago?

MR. LAYBOURNE: Yes sir.

THE CHAIRMAN: The subscription bills are sent from Chicago to the Canadian subscribers.

MR. LAYBOURNE: Yes.

THE CHAIRMAN: And postage is paid in Chicago, American postage.

MR. LAYBOURNE: Yes, all but a tiny bit, about 5,000 --.

THE CHAIRMAN: To the newsstands.

MR. LAYBOURNE: No, that does not require postage because it is expressed.

THE CHAIRMAN: You express some but for your mail subscriptions --

MR. LAYBOURNE: The mail subscriptions for the most part --.

THE CHAIRMAN: You told us this morning you have quite a number.

MR.LAYBOURNE: Yes.

THE CHAIRMAN: So I would suggest that at 3 cents a copy this would amount to about $250,000 to $300,000 a year that you pay to the United States Post Office as a Canadian publication.

MR. LAYBOURNE: Yes.

THE CHAIRMAN: So this publication, so you say, is published in Montreal in the Sun Life building, has no property, no physical assets whatsoever in Canada; no physical being in Canada. Do you invest your earnings in Canada? What you earn in Canada, is that invested in this country?

MR.LAYBOURNE: I know they have been in the past. What the present situation is, I cannot answer.

THE CHAIRMAN: Well, sir, I know that we are getting further statements from you but this is a statement which you might show us. We have had a bit of difficulty, as you know, in getting all the facts. Maybe it has not been all your fault. Maybe

some of the fault is ours.

MR. LAYBOURNE: Mr. Mackay, who is counsel, as you know, for Time, points out the fact that the Postal Regulations require that this statement be carried in the small identification which appears at the bottom, usually, on the first right-hand page.

THE CHAIRMAN: I know but you also say "address change and subscription inquiries should be made to Time Canada edition, 540 North Michigan Avenue, Chicago; but you say Time Canada edition is published at Sun Life building in Montreal. Maybe the Postal Regulations compel you to do this but this statement of fact is not an accurate statement of fact to say that Time Magazine in Canada is published in the Sun Life building in Montreal. Surely that is not an accurate description, but we will let that go.

During your statement this morning, Mr. Laybourne, and it amused me more than anything else you made some oblique reference to some questions which I had asked you about, how Time projected the Canadian image to the rest of the world. That is perfectly all right, splendid, I thought. Maybe I should direct this question to Mr. Scott or to Mr. Elson or to Mr. Alexander who gave us very graphically what was done, a very graphic and almost lyrical description of how you process Canadian news in New York. I was quite interested in what Mr. Scott said that one morning, and I believe it was the 16th of December; is that right, sir?

MR. SCOTT: I am not sure.

THE CHAIRMAN: I believe the week of the 16th, it was a snowy morning and it made me feel like a Canadian, he got the spirit. He goes on to tell us how he processed the weeks news. Well sir, did you process the following weeks news, can you tell us that?

MR. LAYBOURNE: I or Mr. Scott?

THE CHAIRMAN: The week of January 2nd, your print of January 2nd.

MR. SCOTT: If you have switched to me, sir, could you tell me what stories were in that magazine?

THE CHAIRMAN: I am going to recall them

for you, don't worry about that. I can tell you what it says.

MR. SCOTT: You asked if I was in the office that week. As a matter of fact I was away for a week and I am not exactly sure whether it is that week.

THE CHAIRMAN: Somebody went through all these generics you go through to process this news?

MR. SCOTT: Yes.

THE CHAIRMAN: Somebody took it over?

MR. SCOTT: Yes.

THE CHAIRMAN: I am dealing now with Mr. Laybourne. In all events in your print of January 2nd, in your American edition or U.S.A. edition, and in the Canada edition you have a report on our budget. Now, this is a very important story for us because it has been charged by a section of the American press that the budget was anti-American and, in any event, it effected the property of a lot of people. I would think as a journalist this would be something which Time would take a lot of pains with.

I will take, first of all, what appeared in your American edition. I am just going over a few of the speeches made on this budget by Time. Time says, and this is a quote: "Fleming accounts for $220 million of the deficit and the remaining $1 billion comes from the emergency pump ~~line~~."

I have here the Hansard of Mr. Fleming's speech, the official report. You know this. No such words were used by Mr. Fleming. He never mentioned pump program at all. Actually this sentence gives the impression that the tax concession amounts were confined -- no, I am on the wrong page.

Here is what he said: "Domestic companies," said Fleming write-off -- you use the word "domestic companies", and lower income taxes. Now, that sentence gives the impression Canadians get some tax concessions which weren't given to others. The truth is the program, or what Time calls faster write-offs, accelerated depreciation applies to non-residents whether individuals or corporations carrying on business in Canada just as well as individuals and corporations resident in Canada.

Well then, we will take another statement: Time says that the U.S. holders of Canadian stock will pay a new 15 per cent withholding tax on dividends and so will the holders of Federal and Provincial bonds. Now, this statement is not only inaccurate. It is incomplete. Where the U.S. holder of shares of Canadian resident companies as an individual or as a company owning more than 51 per cent of a Canadian company, the U.S. holder will pay a new 15 per cent tax. It is inaccurate for the simple reason that holders of such shares

have been paying the 15 per cent withholding tax since 1951. The statement made by Time that holders of Federal and Provincial bonds will pay a new 15 per cent tax omits the very important provision that this tax applies only to interest on new bonds issued after December 20th, 1960. Now, this is from your American edition. We will turn now for a moment to what appeared in your Canadian edition. This is the one where you used the pump line.

You say that: "To domestic companies" -- you see the twisting -- "to domestic companies want a series of tax concessions that will cost the Treasury about $60 million for the fiscal year starting next March". Now, the truth is that these tax concessions were not restricted to corporations, nor were they even to domestic Canadian corporations. The enlargement of the bracket of corporations taxable income tax of $24 million applies equally to non-resident corporations. The program of accelerated depreciation estimated to cost $25 million applies to individuals in business as well as to companies or corporations, including non-resident individuals and companies. The estimated $11 million-repeal of syntax is a concession to individuals and not to corporations.

Now we will take another one. This is the worst one. The first $35,000 of corporate

taxable income rather than the initial $25,000 will be exempt from income tax. Well now, there again, you see this is an absolutely glaring error. It is an unforgivable error for any good reporter. The fact is that neither $25,000 nor $35,000 has been exempt or will be exempt. Formerly the first $25,000 of a corporation's taxable income was taxed at 21 per cent. Effective January 1st, 1961 the amount of taxable income bearing this rate will be extended to $35,000. That is all there was to this.

These are not the only mistakes. I have just picked out one or two. Actually there were so many glaring errors in this short report on the budget as it appeared in Time Canada and in your American edition. The reports were slightly different but not substantially in the general report.

Now, when you come and say this morning that you are very careful to get the very essence of Canadian news, to get the wheat from the chaff and so on and you extoll your own powers of accuracy, how can you justify that when here in two issues I have picked out this month, not over a year, but the first two and find these errors.

This is a serious business. You know what is being said in United States press about Canada at the present time. You mentioned

it in your brief. It is being said this budget was an anti-American budget. It is being charged openly. This is a serious thing having regard to international relationship between the two countries. What you have said here today about your wish and your desire and your aim and your hope to promote this relationship -- I come along and I see gross distortions and inaccuracies in the report of your two magazines about one of the most important news items in Canada in the last six months.

Let me ask you about something else. There is Cuba. There is a great deal of talk in the United States about Cuba with respect to Canadian trade at the moment. Now, in your issue of December 26 you have an article about Cuba and Canadian trade. There is nothing very objectionable about this article although it leaves the impression that Canada is getting anything she can out of Cuba. I noticed you quote Trade Minister George Hees as telling newsmen "You cannot do business with better businessmen anywhere". Now, that wasn't the only statement made by the Minister in Canada. Mr. Diefenbaker on the 23rd of December in Saskatoon put out a statement on this text, which I have here. It is put out by our External Affairs department in the ordinary way on the 23rd of December. This was a statement

addressed to the American people. This was an effort and a justifiable effort and I think a very necessary effort to explain to the American people that we were not taking advantage of your difficulty at the present time to increase our trade. Mr. Diefenbaker tells it, one, two, three, four and five. This was issued to the press.

Am I right in saying this didn't appear in any copy of Time, American or Canadian?

MR. LAYBOURNE: I do not recall seeing it.

THE CHAIRMAN: No. I ask you how do you come here and tell us Time is performing a great international service and a great Canadian service if in a matter of this kind -- I can understand the American attitude on this. I have had letters from friends in the United States and they said we don't mind you trading with Cuba but don't chorkle about it. Some of our people seem to chorke about it. Actually we send one-seventh of the trade to Cuba that the United States is sending at the present time. You are sending seven times more trade to Cuba than we are, which is understandable with the size of the country.

My point is what I can't understand, in the light of these eloquent remarks made to us

this morning about Time and its processing of the news and the great responsibility and the great affection you have for Canada why these statements made by the Prime Minister on trade with Cuba, and it is not a long statement, it surely could be edited and compressed. Not one single line of this has appeared in Time magazine although the statement was issued on the 23rd of December. What do you say to that, sir.

MR. LAYBOURNE: I say that mistakes are devastating and embarrassing. Anyone connected with periodicals of any kind fights errors, fights mistakes with everything he has got. Mistakes occur in spite of his efforts.

THE CHAIRMAN: Well sir, this morning when you were taking exception, and I didn't mind at all, I thought you did it very well, to my rather frivolous remarks about Time when you made your first presentation you said quantity is not important, quality is important. You said, judge us by our serious material. Good heavens, sir, if we are going to judge you by your serious material -- the two most important things that have happened in Canada in the past six months, our budget and this difficulty over trade with Cuba -- you got one wrong and the other you ignored. How can you come and seriously ask me to consider Time a great Canadian magazine? Isn't this true, sir, that

apart from your being incorporated in Canada -- I would like to see a copy of the incorporation. I don't know what you promised to do or what duties were imposed upon you. Apart from your incorporation as a Canadian company what else is there Canadian about Time? I don't understand it. I know you pay taxes, but even those are paid from New York. I don't know how the income tax people do this sort of thing. It is not our business, but I understand what they do is get the statement from New York or send somebody to look over the books. Apart from paying taxes you are no different whatever from the split run magazines, none whatever.

Your only organization in Canada are people getting advertising or selling subscriptions. It is true you have stringers, you have a few correspondents. So has the New York Times. I myself acted as a correspondent for many American papers throughout my life. They did not claim to be Canadian magazines or Canadian newspapers. They had correspondents here. They bought advertising here. The old New York Sun of Frank Munsey had the Bank of Montreal, the Bank of Commerce, the C.P.R. and so on and so on and so on. They didn't say they were Canadian newspapers. That is my objection to Time. If Time came along and said we are a split run magazine getting advertising on that bais and our incorporation has been secured

to make that process more convenient and more efficient, well and good. Then we could judge you on your merits. What a Commission of this kind has to consider is this claim that Time magazine is a Canadian magazine competing on equal terms with magazines in Canada.

I would like to ask you one more question, sir. The Canadian periodical press, Maclean-Hunter and Chatelaine and even Reader's Digest have given us figures of their costs. You have given us figures of your costs as compared with theirs. I wonder, can you give us those figures in a form that will lead us to believe they are reliable if your bookkeeping is done in New York? All your accounting is over there. How can somebody sitting in New York doing your accounting over there compare your costs in Canada with the cost of magazines over here? Can you explain to me how that is done?

MR. LAYBOURNE: What comparison are you referring to, costs?

THE CHAIRMAN: Production costs.

MR. LAYBOURNE: We haven't compared our costs to theirs.

THE CHAIRMAN: I thought in your first presentation you did.

MR. LAYBOURNE: No, we compared the

cost of producing Time Canada with producing Time U.S.A.

THE CHAIRMAN: That is exactly what I mean, the cost of producing Time Canada with the cost of producing Maclean's or Saturday Night.

MR. LABOURNE: No, sir. We compare circulation costs and advertising charges, but we did not and we have no way of comparing the cost of the two magazines.

THE CHAIRMAN: Let me read this to you: "The advertising rate per page per 1,000 circulation of Time Canada is 826 and has been rising steadily ... whereas, the rate per page per 1,000 of Time U.S. is 540; in other words, the unit advertising rate of Time Canada is 53 per cent above that of the U.S. edition." Then you say: "On the expense side, production costs are 17 per cent above the comparable figure for the U.S. edition; distribution costs are 68 per cent above comparable U.S. figures; advertising promotion costs in Canada in relation to advertising revenue are 31 per cent lower in the United States; circulation promotion costs in Canada are in relation to the circulation revenue, are 48 per cent below the U.S. figures. Advertising selling costs in Canada are 113 per cent higher than in the United States." Where do those figures come from? Who got them?

MR. LAYBOURNE: We are not talking about Maclean's or any other magazine.

THE CHAIRMAN: You were talking about costs in Canada and you are comparing them with costs in the United States?

MR. LAYBOURNE: Yes.

THE CHAIRMAN: Who got those costs in Canada when all your accounting is done in New York?

MR. LAYBOURNE: The business department of Time International of which Time of Canada is a part.

THE CHAIRMAN: Where is it located?

MR. LAYBOURNE: In New York.

THE CHAIRMAN: In New York? This is improper but I think this is the problem of this Commission. It would be a problem for anybody to realize how, with all your books and all your accounting in New York and with the accounting department apparently not able to get certain figures that we have asked for and you have stated that there is great difficulty in getting those figures for us because of the way you keep your books. It is all done in New York and some man allocates the cost here and there between all the Times that are published here, there and everywhere ...

MR. LAYBOURNE: The physical location of the books has nothing whatever to do with the difficulty ...

THE CHAIRMAN: No; but, the method of accounting has.

MR. LAYBOURNE: ... in producing the information which you need to have.

THE CHAIRMAN: Well, sir, that is not really

what has been said to Mr. Mackay throughout this week. You know perfectly well that you have an accounting system in New York which consists of and this goes to Time so and so and this goes to Time so and so and you have credits against that and there is a credit against New York in Time in Canada and it gives you the impression that Time in Canada is supporting Time in U.S.A, and so on.

These figures have not enabled us to come to any rational judgment about your position in Canada, about whether you are making money or losing money, or what you are doing here; but, that is not too important.

MR. LAYBOURNE: That is what we expect to do when we come before you on Thursday, Mr. Chairman.

THE CHAIRMAN: Thank you very much, sir. I will be very glad for that. I really think you are misleading -- to be quite frank, I think you are misleading the Canadian people when you put here -- I do not care who compels you to do it, whether it is the postal people or not -- to say that Time International of Canada is published in Montreal. It is not published in Montreal. You have an office in Sun Life Building.

MR. LAYBOURNE: Time of Canada is published by the company Time International of Canada Limited, which is a wholly-owned subsidiary of Time Incorporated.

Its legal head office is in Montreal, as settled and identified and established at the time of the incorporation of the company in 1952 and it is the business of Time International of Canada to publish. Now, publish has many different meanings, Mr. O'Leary.

THE CHAIRMAN: Not too many.

MR. LAYBOURNE: It means to utter; it means to print and it means to distribute. It means take responsibility for all of these.

THE CHAIRMAN: I do not know what dictionary you are quoting from now, but that is not the meaning of publish. Publish means to issue something from a particular place and there is no other practical meaning to give it. When you say that Time magazine is published in Montreal, surely the average reader would say "there is where the paper is put out." It is not put out there. It is put out in Chicago. It is printed in Chicago.

MR. LAYBOURNE: And it says in the next line, the same line, "Printed in the U.S.A.". That can't be very misleading -- published in the Sun Life Building in Montreal and it is printed in the U.S.A. If there is any contradiction between those two things, we are not getting that from our readers.

THE CHAIRMAN: Mr. Laybourne, it is owned in New York. It is edited in New York. The news is processed in New York. The news is then sent

to Chicago. It is printed in Chicago. It is mailed to Canadian subscribers from Chicago and the postage is not even paid to the Canadian Post Office. It is paid to the U.S. post office, amounting to a figure roughly about a quarter of a million dollars a year.

Now, to tell me that because you put a line in the bottom of your page, these conditions are altered, and that this is a Canadian publication -- surely that does violence to fact.

MR. LAYBOURNE: Mr. O'Leary, we have created, over a period of 17 years, a magazine which has an explicit and special appeal to Canadians because it undertakes to every week, beginning with two pages, then three and now with four -- it attempts to give a view of the news, a substantial report of Canadian news every week to Canadians and, in addition, it provides news of the United States and the rest of the world.

Now, we have other Canadian advertising purchased by a German or an American company, or somebody else who wants to reach Canadian readers and this magazine has been received by an increasing number of Canadians who are intelligent and discriminating people and it is not rammed down their throats. They buy it because of what it is and they buy it in numbers so substantial and we know that they read it for every section in

the magazine, including the Canada Section.

THE CHAIRMAN: That is all right. I do not object to that. I buy it. I have bought it from the beginning. My wife thinks it is wonderful. She reads all the articles on science, medicine and religion and what have you. That is not what we are talking about. What we are talking about is: Is this a split run magazine, or is it not? Is it competing fairly with our Canadian publications?

MR. LAYBOURNE: You can't call it a split run magazine.

THE CHAIRMAN: What is the distinction? The only distinction is that you are incorporated in Canada. I do not see anything else.

MR. LAYBOURNE: No -- that the advertising is wholly sold for the Canada Section.

THE CHAIRMAN: Where is the money going that you make in Canada? Does it go back to New York?

MR. LAYBOURNE: We spend it in Canada. We spend it in the United States.

THE CHAIRMAN: What do you spend it on in Canada, if I may ask? You should know.

MR. LAYBOURNE: Paper comes pretty high.

THE CHAIRMAN: You get a drawback on that; so, don't suggest the paper. So does the New York Times get their paper in Canada and even the

Chicago Tribune gets its paper in Canada.

MR. LAYBOURNE: There are a number of sources of supply for magazine paper. We draw, ourselves, from Provincial Paper Company of Canada, the only manufacturer of coated paper in Canada.

COMMISSIONER JOHNSTON: For your Canadian edition?

MR. LAYBOURNE: For the Canadian edition. We have bought in the past Australian and other editions, but not in any large quantities.

THE CHAIRMAN: Where have you bought for the American edition?

MR. LAYBOURNE: Primarily U.S. suppliers.

COMMISSIONER JOHNSTON: That is because of the duty?

MR. LAYBOURNE: Yes.

THE CHAIRMAN: I have some other questions to ask but I think I will get them from Mr. Elson and Mr. Alexander, perhaps and I have one or two to ask of Mr. Luce.

COMMISSIONER JOHNSTON: I have one or two questions for Mr. Elson. Mr. Prentice is no longer a publisher?

MR. ELSON: No. He is now the editor and publisher of House & Home.

COMMISSIONER JOHNSTON: He has got no connection with your company?

MR. ELSON: Not that company. He is a

vice-president and officer of Time Incorporated. He is a vice-president and officer.

COMMISSIONER JOHNSTON: He is still connected with Time?

MR. LAYBOURNE: Yes -- very definitely. House & Home is one of our magazines.

COMMISSIONER JOHNSTON: I see. That is one I do not read. Is he a great humourist -- Mr. Prentice?

MR. ELSON: He has a sense of humour.

COMMISSIONER JOHNSTON: I just noticed a very startling statement about a publication. It says "In the few weeks since we launched the Canadian edition, some 30 subscribers have written to me personally about the change. I am sure all advertising men would have been delighted by the unanimity with which they said they wished our Canadian edition carried more advertising." Now, man and boy, I have been around newspapers for a long time and I never saw or heard of a reader of a publication writing to the publisher and saying "We want more advertising in the paper." Have you, now, Mr. Elson?

MR. ELSON: Mr. Commissioner, is that a question or a comment?

COMMISSIONER JOHNSTON: I am just wondering if you have heard of this other than this?

MR. ELSON: Yes, I have. As a matter of

fact, as the first C nadian editor of Time, one of the major problems in developing this magazine was the fact that it carried advertising. It is a very interesting thing that when you start a magazine that if you rely only on editorial matter in the American and Canadian context, that magazine does not look complete. This was once a problem in the early days of Sports Illustrated and it was a problem of the Canadian edition of Time and it was a matter of concern. I was not present when Mr. Prentice wrote his letter but I can testify from my own knowledge that this was a major problem in getting the Canadian edition off the ground.

COMMISSIONER JOHNSTON: That is not the point. My astonishment is that an ordinary subscriber would have written and wanted more advertising. However, that is that. Now, do you agree with Mr. Prentice -- "Since we have a Canadian edition and as a result of desire to promote goodwill in that country, accuracy of Canadian stories becomes more important than ever ..." and I would think, from reading your brief and hearing it, that a large part of your brief has to do accuracy and I can see here there are a great many editorial changes that are made from time to time, and Mr. Matthews also stresses that. But, in view of your great care, what I am wondering is how on earth you manage to make so many mistakes?

MR. ELSON: We are human. We are a weekly. We are subject to much closer scrutiny than any other medium that I know of. I would suggest that if you had an errors count of any daily newspaper, that the errors proportionately would be proportionate to that in Time magazine.

COMMISSIONER JOHNSTON: Sometimes they get them crushed between editions. I saw an advertisement upside down in the last Sunday Times. You say on page 27: "The Associated Press and the United Press relied almost entirely on their Canadian affiliates Canadian Press and British United Press, for Canadian information -- which was Canadian information written for Canadians with no special interpretation or background for American readers. The result was that, in the main, the news reports of Canada which saw the light of print were of disasters and similar spot news."

Has there been any real change over the years in that situation?

MR. ELSON: I am referring in general here to the whole American press and I would say that there has been a great change.

COMMISSIONER JOHNSTON: A change for the better?

MR. ELSON: I am not restricting it to Time Incorporated. No. I would say for the moment and that, as you know -- I am referring to the period

in which I believe you were intimately associated with this effort to get more Canadian information into the United States and I think you were amongst those who contributed very greatly to the establishment of the Wartime Information Board.

COMMISSIONER JOHNSTON: I would like to take credit for it, but I was not.

MR. ELSON: I thought that you were. I am sorry. I was in Washington at the time. But, I would say that the American Press, in general -- my brief was not intended to criticize what was going in. At the time I was trying to establish the situation that existed, to my knowledge, from 1940 to 1943, roughly. I am not saying that Time changed that. I am saying that since that period there has been a considerable gain in the amount of information going across the border. You have an increase in correspondents, American correspondents here. You have big radio and television networks with an appreciation of what is better here. There has been a gain, yes.

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COMMISSIONER JOHNSTON: I was in Tuscon for a couple of weeks several years ago and the only Canadian news I saw there was when the Canadian Parliament voted themselves an increase in pay.

MR. ELSON: That is at least constructive.

COMMISSIONER JOHNSTON: I am a little puzzled on page 30: "What was and is produced for Canadians is in essence a national news service that covers the country from coast to coast and presents Canada with a picture of the nation as it would appear to their neighbours." Now, who are their neighbours? I do not quite understand that. I think that sentence is a bit ambiguous.

MR. ELSON: I think you will have to put it down to the fact I was not a very exact writer at that time on the point. What I meant to say was you are holding a mirror up of a country as it appears and the analogy would be something in the order of the economist, American Surveyor which shows the Americans as they appear to the British reader.

COMMISSIONER JOHNSTON: You say that Time Canada News is presented to give a good picture of Canada to the people of the United States?

MR. ELSON: No sir. I don't say that. I said that we tried to give a picture of the news as it would appear to ones' neighbours, meaning the

American people across the border.

COMMISSIONER JOHNSTON: Do you think that the economist, American Surveyor, is intended to interest Americans or to inform the British?

MR. ELSON: Curiously enough, I think it does both.

COMMISSIONER JOHNSTON: I think it does too.

MR. ELSON: I didn't mean curious. I think it does both.

COMMISSIONER JOHNSTON: Mr. Prentice is getting humorous, in my opinion, on page 31 when you quote him saying: "In a memorandum October 4, 1945, summarizing the discussions, Publisher Prentice reported that to withdraw advertising privileges from Canadian advertisers - would not sit too well with Canadian advertisers with whom we have made friends and to whom we have sold space over the past two years'".

Is that not a strange statement?

MR. ELSON: No. I think that is an absolutely accurate statement. As a matter of fact, if you had invested a certain amount of money in a media in which you had faith and from which you were getting results and if this privilege of advertising in this media was withdrawn you naturally would not like it and any advertiser who did not want to buy, did not have to buy.

COMMISSIONER JOHNSTON: If everybody lost the privilege of advertising in Time, do you think it would create something close to a riot in advertising circles?

MR. ELSON: Sir, you are putting words in my mouth. I did not say that.

COMMISSIONER JOHNSTON: I was trying to think of something milder.

MR. ELSON: I think your statement is extreme in the way you put it.

COMMISSIONER JOHNSTON: I am sorry. I withdraw it. That is all I have.

THE CHAIRMAN: Mr. Elson, this is merely for information when I ask you this. You have had long experience in journalism in Canada, in the United States and in the United Kingdom.

MR. ELSON: Very briefly in the United Kingdom, sir.

THE CHAIRMAN: You know Canada very well.

MR. ELSON: I like to think I do.

THE CHAIRMAN: You know our regional difficulties; you know our provincial difficulties; our sectional difficulties; our dominion difficulties; and our international difficulties. Would you say that a magazine published outside of Canada, even of the good character of Time magazine, as pointed out by Mr. Laybourne, would you say that a magazine of that character would be as

efficient as a Canadian periodical in discussing, debating, discoursing on these regional, sectional, provincial and international problems in Canada?

MR. ELSON: Certainly not. I agree they would have --

THE CHAIRMAN: Could not possibly be.

MR. ELSON: Could not be, no.

THE CHAIRMAN: No matter how skillfully edited, it couldn't possibly be.

MR. ELSON: No.

THE CHAIRMAN: Well, sir, let us go on from there. If then as a Canadian you saw a situation develop --

MR. ELSON: Sir, may I correct you. I am not a Canadian.

THE CHAIRMAN: No, I say as a Canadian. If you were a Canadian and you saw a situation develop in Canada which threatened dangerously two independent periodicals which you felt may result in their disappearance -- not immediately but over a decade or two decades, would you not be concerned?

MR. ELSON: If such a situation existed, Mr. Chairman, I naturally would be concerned.

THE CHAIRMAN: You would be concerned.

MR. ELSON: I would, sir.

THE CHAIRMAN: Because you would feel if the Canadian periodical press disappeared and its place had to be taken by magazines or periodicals

published outside of the country that -- no matter how friendly they were -- they could not possibly get the feel of Canada, could not discuss our sectional or regional or provincial problems.

MR. ELSON: Well, sir, addressing myself to the point, the question is what form of communication is best designed to protect Canadian culture. The thing cannot be narrowed to a segment of communication. I think of the terms of reference -- with which I am really not too familiar --

THE CHAIRMAN: Mr. Elson, I am not discussing Canadian culture, God forbid. I am not discussing that. I do not join in a lot of the loose and over-wrought language that appears in the Massey Report. I do not think and I do not agree that there is some monolithic American culture of which you need be afraid. There is no such thing as American culture. It is North American culture. We are the heirs to it just the same as you are so I don't go along with this business of culture at all. This business of searching for Canadian identity, as Professor Breadner called it, does not influence me one bit. I think you know I am not anti-American from the statements I have made here.

MR. EBCON: I certainly do.

THE CHAIRMAN: But I do want to put this

to you. If you had in Canada the complete business of Canadian periodicals -- this is not a question of culture -- this is a question of debating, discussing and discoursing on our peculiar Canadian problems, economical, political, financial or what have you -- now, if our periodical press disappeared where would that discussion come from? Can it be supplied by papers outside of Canada? Would they know our problems? Would they be concerned with them? Wouldn't you be leaving a tremendous gap in Canada; not in its cultural life, but say in its political and social and economic life?

MR. ELSON: Well, I think, Mr. Chairman, yes. I guess it would, but this is essentially -- I think there is something else involved, is there not, here? That is does a Government in a free society have the right to support -- I cannot answer this question because I am not sure that I can answer it; but does it have the right to support one segment of the country or one segment of an industry?

THE CHAIRMAN: Well, the truth of the matter is that in your country and in mine and in every civilized country today Governments actually are exercising that right. There is no doubt about this. Industry is being protected. The railways are having things done for them. Modern society does this. This is the welfare state.

This business of some industry having a right; some newspaper having a right -- surely that is all out of the window. If you go back to New York and look up the authorities you will see this talk about the freedom of the press transcending every person's right is all nonsense. I have dealt with this before. I am not going to get back on it again, but if the Government of Canada saw a situation develop whereby Canadians would be denied the right to read their own periodicals then that Government would be conspiring with a situation which denied the people the right to read their own publications and this would be bad. It not only would be bad but it would be treason to the interests of its own country. It would be certainly despicably negligent if it sat down and said we are going to let the situation develop. We may not need the periodical press in Canada debating and discussing our society and providing us with whatever we need to make democracy work.

You would agree with that. I am sure Mr. Luce goes along with that. You all go along with that.

What we are trying to do is to consider -- it is not a question of disliking Time or liking Time or liking somebody else -- it is a question of the problems which confront Canadians. We think this problem is real. We have not explored it to

its very ends yet.

We do not want to build up a monopoly for any magazine in Canada. I don't want you to get that idea. Whatever we do, we do not want to build up in Canada a situation in which Maclean-Hunter or any other organization would have the field clear to themselves.

We want to create a situation where we can make it possible for three or four young Canadians to start up a magazine to discuss questions in Canada with a fair chance to succeed.

Now, if we arrive at the conclusion that because of split-runs, because of the so-called Canada editions, because of overflow circulation, that will be made impossible for these young people to start another magazine with fair competition, do you tell me that the Government would have no right to do anything?

MR. ELSON: Mr. Chairman, I didn't say that.

THE CHAIRMAN: No. I am asking you that question.

MR. ELSON: This is a matter wholly within Canadian competence, sir.

THE CHAIRMAN: Certainly. I mean to say some people say "Oh well, you can't do that to the Americans". We are not doing anything to the Americans, for heaven's sake. I am going to

ask Mr. Luce a question.

If you, as an American, saw a magazine printed outside of the United States with a circulation of two million a week in the United States and in addition saw every newsstand in the United States with 400 foreign titles to 10 American, wouldn't you be disturbed? Well, if you were a rational human being, you must be -- if you are a good American?

Mr. Luce, I am going to ask you this question. First of all I have here a document -- it is not really a document but this is a statement which was given to me this morning. I think Time in New York or the Time organization in Canada put out a small biography of you this morning for the use of the press. We do this in the Journal so it is all right. There is no moral turpitude to this, but this is what it said: "When Luce and Haddon first considered the standards of journalism, they refused to accept the time honoured concept of objectivity at its face value. They concluded instead that pure objectivity can never be obtained in news reporting and that therefore facts and ideas could be conveyed to the reader far more effectively in writing what honestly reflects the beliefs and principles of the writer and editor."

Do you hold to those views yet, sir?

MR. LUCE: No, I am afraid that one ...

must be affected by one's biography occasionally.

THE CHAIRMAN: I want to ask you this, sir.

MR. LUCE: That is a very difficult question to answer. I would not like to say. And that actually did not arise at the beginning of Time but many years later. That is a philosophical question which I would be very glad to discuss on a philosophical basis. As you know very well, it is impossible to discuss.

THE CHAIRMAN: It would be a good question over a drink but hardly here.

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Let me ask you this, sir, in addition to your very powerful magazines Time, Life and Fortune, you own or control, I believe, three radio stations.

MR. LUCE: When you speak of Time Incorporated, in which I am a controlling stockholder. I do not personally own it. I believe the number is four.

THE CHAIRMAN: Would you say that your three powerful publications are inferior to these radio stations or T.V. stations in their making of public opinion, in shaping thought?

MR. LUCE: No, I would not think they were inferior.

THE CHAIRMAN: You would think they were on the par, at least. I would say they are better. You are familiar, I am sure, with the Communications Act of 1934 dealing with the ownership of broadcasting stations in the United States.

Perhaps you have forgotten. Perhaps I had better put it on the record. This is what Congress said: a station licence required hereby shall not be granted to or held by (1) any alien or the representative of any alien; (2) any foreign government or the representative thereof; (3) any corporate organisation under the laws of any foreign government; (4) any corporation of which any officer or director is an alien or of which more than one-fifth of the capital stock is owned or voted by an alien or their representative or by a foreign government or a representative thereof or by any

corporate organisation under the laws of a foreign country; (5) any corporation directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens or of which more than one-fourth of the capital stock is owned or voted by an alien, their representative or by a foreign government or representative thereof or by any corporate organisation under the laws of a foreign country if the Commission finds the public interest would be served by the refusal or the revocation of such licence".

Now sir, you would agree with me, I am sure, that this law was passed by the Congress and given to the Commission to carry out for the simple reason in their discretion they deemed it dangerous to have the control of this agency of public opinion in the hands of a foreign country?

MR. LUCE: No sir that is not the whole reason at all.

THE CHAIRMAN: Not the whole reason?

MR. LUCE: It is not the basic reason. The basic reason of what you say here was the new thing, which was the airways which were deemed to be the possession of the people, or, as you would say in Canada, the state. Therefore it is public property. It is the airways.

THE CHAIRMAN: That is right.

MR. LUCE: This is dealing with the question of public property. We are dealing with the question

of licensing, and that brings up the question of whether you would want in Canada or any other country to have a licence necessary for publication, a licence to be issued by the government.

THE CHAIRMAN: Your position...

MR. LUCE: In other words we accept the basic necessity for licensing of the use of certain airways. We have not, so far as I know, got to the stage of considering the requirements of issuing a licence for publishing newspapers, magazines or books.

THE CHAIRMAN: But the reason...

MR. LUCE: Two different things, you ought not to get these things mixed up.

THE CHAIRMAN: I am not mixing them up. I was going to clarify that. The reason is when you give him a channel you give him something exclusive. Anybody can start a newspaper.

MR. LUCE: Public property.

THE CHAIRMAN: Nevertheless there is competition provided in United States because you have the C.B.C. and you have the A.B.C. and you have the N.B.C. So far as that is concerned there is competition existing but not competition by outsiders. Any law exists for that basic reason. We have the same law in Canada. I am not complaining about this. Our C.B.C. is organised on the same principle. The principle is that an alien, a person from a foreign state, an external country cannot come in

and hold a channel or a licence to broadcast by a radio or T.V. because it deals with public opinion, as an influence on public opinion. If you read on in the statute here, and this does not apply to warships and so on and so on, if a government is in a position or deems it wise to do so with respect to one agency of communication, because that is what T.V. and radio are, then surely they have an equal right to do so with respect to a powerful newspaper.

As a matter of fact, sir, do you know of any newspaper with a circulation of, say, 2,000,000 a week circulating in the United States owned by foreign people? You don't. I don't think there is. Do you think the American people would like it if it did exist?

MR. LUCE: I don't think so, no.

THE CHAIRMAN: No, of course not.

MR. LUCE: I think about 200,000 Canadians do like it.

THE CHAIRMAN: I know. They like other things too, which are very undesirable. I don't think that is a criterion.

MR. LUCE: I don't quite understand the tenor of your questioning.

THE CHAIRMAN: I am coming to it.

MR. LUCE: I would like to know.

THE CHAIRMAN: I am not asking idle questions. I will come directly to this: one of the things we have to consider and I am being very

frank with you is whether it is desirable at all to have any magazines or newspapers published in Canada which are not owned at least 51% in Canada. That is what I was coming to. I wasn't trying to ask - shooting in the air. I don't like questions of that kind. It is something we have to consider. I am not saying we arrived at this conclusion. We have a lot of alternatives before us.

MR. LUCE: Certainly.

THE CHAIRMAN: I am trying to get your opinion, sir.

MR. LUCE: Yes. I certainly haven't the answer to this question which I recognise is a very serious one. If I can help at all it might be partly in analysing this question which has many aspects to it and also put it in a certain perspective. A moment ago when, I think, Mr. Johnston was speaking to Mr. Elson on a business point, some point, the expression of a Canadian point of view was used. You have your newspapers and your broadcasting. In other words you already have many means right now of expressing the Canadian stand and point of view. You have quite notable public figures, your Prime Minister for example. Somebody was saying we did not quote a speech of Mr. Diefenbaker's. Other people did. I might say in this new issue of Time we have a long quote from Finance Minister Fleming about his budget which corrects or tends to correct any impression that it was anti-American and so on.

We have it right here.

THE CHAIRMAN: What print is it?

MR. LUCE: It is Time. It is the new issue.

THE CHAIRMAN: I haven't seen it.

MR. LUCE: Sometimes when we don't have something it is because it comes just before we are going to press. We haven't the time to get it into the magazine. We do it next week.

COMMISSIONER BEAUBIEN: Is that Time Canada:

MR. LUCE: Time Canada.

COMMISSIONER JOHNSTON: The budget came out on Thursday, didn't it?

MR. LUCE: The point I am making is that there are many means of communication, many forms of it. The ones we recognise most are the newspapers, magazines and television, but also you get it by public figures, famous people who say things and what they say goes around the world, or some parts of it.

There are many ways for Canada to express its general concensus, if it has one or its voice. I suppose Canada should not be monolithic in its attitude but should have differences of opinion because of party.

I have here part of a statement made to you by a Canadian editor. He says: of course we can't be the true influence shaping our own destiny and speaking with adistinct voice unless we have a

national consciousness, a unifying sense of our own identity and concern. For this a strong, indigenous magazine press is indispensable.

I would agree with that almost. The word indispensable may be a little strong. There is always a question of what is indispensable. Having regard to what they said about other means of communication, the great newspapers, television and other things - certainly the magazine press would be most helpful to the development of national consciousness, a unifying sense of our own identity and concern.

If you had a fairly large number of Canadian magazines, say 20 or 30, they would be of all kinds, all the way from children's magazines to women's fashion magazines or cooking magazines and so on. Out of the 20, perhaps, only 2 or 3 would be directly concerned with trying to develop a national consciousness. The others would be interested in quite human but more trivial things. In other words the magazine press would be one in which there was room for a number of different kinds of magazines all serving different purposes, some of them rather trivial or unimportant or, let us say, dispensable. Others would be serving this great purpose of developing a national consciousness and shaping destiny.

There are two comments I would like to make if there are magazines which serve this purpose.

I would say there would be two things if we analyse this, the holding out of a vision of Canada and, one man's vision is another man's nightmare. One of the things they would be doing might be called prophetic, prophetic in the full sense of the term prophetic. The other role would be a critical role and such a press would be highly critical of Canadian life, including the government and outside, as Time is.

There was some trouble here about Canadianism. I may be in some disagreement with my colleagues. You said, sir, you wanted to be very plain. I do not consider Time a Canadian magazine.

THE CHAIRMAN: You don't consider it a Canadian magazine?

MR. LUCE: What?

THE CHAIRMAN: You do not consider it?

MR. LUCE: I don't consider it a Canadian magazine. I said in my original statement I consider it a magazine which serves Canada, which serves 'X' 100,000 or however many people there are who buy and read it. I believe it does serve them. They are discriminating people. They are not the most stupid people in Canada. They think it is worth the money and time, which is more important than the 25 cents. Through them I believe it is serving Canada. It is serving itself.

MR. LUCE: First of all, it is serving its general awareness of what is going on and I would say it is serving its general intellectual stimulation. I do not consider it a Canadian magazine because it cannot serve or it cannot perform a prophetic function, which would be the idea of the spectrum of publications and also, it does not and cannot serve as being the sharpest critic. It would be presumptuous of any foreigner -- he would not be tolerated to be as critical of the affairs in some country as a person living in that country can be. If you ever have an H.L. Mencken, for example, he must be a Canadian H.L. Mencken. They would never tolerate a U.S. or a British H.L. Mencken who devotes himself entirely as a critic of Canadian life. Those are the two things. Perhaps one could go further than that, but I will confine myself. There is the prophetic function and there is the critical function and neither of these can Time Canada perform to any complete extent. I do not say that we can't do it partly and be of some assistance, but we cannot ultimately perform the prophetic or the critical function. But, we do perform the informational function, whether we do it well or badly, or how good. We make some mistakes. Now, this is another matter. It is not another matter, but I am trying to say that we think we do serve this informational influence, but it does not stand in the way of other publications performing another function, which is the prophetic

or more highly critique.

THE CHAIRMAN: Thank you very much, sir, for a very fair statement and I think you put the thing very well. This does not relieve us of our problem, of course, of a magazine of that kind coming into Canada under the economic conditions that yours can come and it still leaves the Commission with the problem that if you cannot fulfil the critical problem, and criticism to us is a very, very vital thing -- this is part of our system. This is its life blood and, so, if a magazine that is not performing that function puts out of business a magazine which is fulfilling that function, or which could fulfil it, this is what we have to think about.

MR. LUCE: Certainly. A magazine which does not perform that function, but which does perform this useful function -- we claim to perform a very useful function.

THE CHAIRMAN: We are not saying you are performing no useful function.

MR. LUCE: I might go on to say that there is a certain intellectual presumption because of the proposition that you put down one function in order to stimulate another.

THE CHAIRMAN: No. But, you have to make a choice sometimes. Unfortunately, in life this is the problem.

MR. LUCE: Sometimes. I do not say that there is a necessary choice here.

THE CHAIRMAN: Well, that is not what our periodical press people say.

MR. LUCE: I think Mr. Laybourne's argument is good, that the more magazines you have, the more reasonably good magazines you have, the better the whole field is. Great Britain is not a magazine country. It is a newspaper country. In the United States, we have many newspapers and large circulations, and so on. The United States is also a magazine country. Do you see my point?

THE CHAIRMAN: Yes.

MR. LUCE: And it would not be a magazine country in these years if years and years ago one magazine hadn't gone and started and another one and a third and a fourth --- women's magazines and some ladies' magazines...

THE CHAIRMAN: And styles in magazines.

MR. LUCE: Sports and various kinds of magazines, so it becomes a magazine country.

COMMISSIONER JOHNSTON: Mr. Luce, what would be the competition that you are confronted with in Canada?

MR. LUCE: What is it now?

COMMISSIONER JOHNSTON: What is the competition?

MR. LUCE: Now?

COMMISSIONER JOHNSTON: Now.

MR. LUCE: Well, I am inclined to defer it to Mr. Laybourne, to speak more accurately; but,

generally, first of all, the magazine is competing for what we call the whole advertising pie. In the last decade, television has come in and taken a great part of it. Their competition is the total advertising dollar. I do want to say that the important thing that we are working on and have been working on in the United States, in the last two or three years, is competition with the whole magazine field against television. I mean, we would have more to gain if magazines, as a whole, would gain 10% over television and if we were to gain a certain percentage over magazines -- do you see what I mean?

COMMISSIONER JOHNSTON: Yes.

MR. LUCE: The competition is with all dollars and today a great big part of advertising dollars goes to television. In the magazine field, I do not know that we have much competition in here, because what we are concerned about -- this is only as much of a magazine country as you would like it to be. But, I would defer to Mr. Laybourne to answer more particularly on competition.

COMMISSIONER JOHNSTON: Mr. Laybourne, then, do you consider the daily press in Canada competition of yours?

MR. LAYBOURNE: Certainly I would.

COMMISSIONER JOHNSTON: And big dailies and small dailies and all kinds of dailies?

MR. LAYBOURNE: All printed forms seek advertising support. We seek advertising support.

COMMISSIONER JOHNSTON: You were getting your entertainment elsewhere on the day that the Weekly Newspapers Association, represented my Mr. Werden Leavens, President, and Mr. Telfer, the Managing Director, and I asked them if they thought that Time and Reader's Digest was competition. They represent 500 small weeklies, small-town weeklies, and they somewhat, to my surprise, they did feel that your paper and Reader's Digest is competitive in the sense that there is advertising that could be directed to the small communities that is going elsewhere. Would you include them in that distinguished group of competitors?

MR. LAYBOURNE: Well, I think that there are degrees of competition. I would say that the collision between Time and a weekly newspaper, or several of them, is rather slight. To the extent that major national advertisers might decide that they were going to have a big campaign in weeklies and that the only way they could have a campaign in weeklies was to take their expenditures out of dailies and out of magazines, then, that decision and that competition would have cost magazines, newspapers and Time advertising revenue.

COMMISSIONER JOHNSTON: Just one more question along the line of advertising. Who decides the advertising in Time, the advertiser or the agency?

MR. LAYBOURNE: In our experience, it is a combination of both and I do not believe that

there is a way of saying only the advertiser does or only the agency does. It is a combination decision. In varying partnerships or varying client-customer relationships, there are varying elements of decision making.

COMMISSIONER JOHNSTON: Would it be a fair statement that the smaller advertisers are, perhaps, more influenced by the agency than, say, the big advertisers?

MR. LAYBOURNE: I do not know that of my own knowledge. I have nothing in my experience to indicate whether that is true or not.

COMMISSIONER JOHNSTON: Would you mind telling us how many advertising solicitors you have in Canada; I mean your advertising sales staff?

MR. LAYBOURNE: Salesmen?

COMMISSIONER JOHNSTON: Yes.

MR. LAYBOURNE: There are 12 or 13. I would have to count heads to be sure.

COMMISSIONER JOHNSTON: It would be a dozen or a baker's dozen?

MR. LAYBOURNE: Right.

COMMISSIONER JOHNSTON: Now, the Canadian Weekly Newspapers Association is, and I imagine the Canadian Daily Newspapers Association, to some extent and certainly the weeklies are up against the problem because they have only one or two covering the whole country; so, if you are taking a couple of million dollars in advertising with 13 salesmen, they would

need the same number of salesmen to get the same amount of money and they would have to be pretty good salesmen?

MR. LAYBOURNE: I would not think there would be a direct relationship.

COMMISSIONER JOHNSTON: There wouldn't?

MR. LAYBOURNE: No.

THE CHAIRMAN: Thank you, gentlemen, for coming and for the statements which you have given us. You have come a long way and we hope you have a pleasant journey home and your submissions will get every consideration.

MR. LAYBOURNE: Thank you.

THE CHAIRMAN: Now, I think we will adjourn until 10.30 tomorrow morning.

--- Adjourned at 4.15 p.m.